International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper R London, Thursday, September 11, 1997 No. 35,623

TODAY: FEELING FESTIVE

Algerian Massacres: A Hidden Meaning?

By Roger Cohen
New York Times Service

PARIS — A series of massacres on the outskirts of Algiers, which initially brought no government response, has raised the possibility that a sharp power struggle may have erupted within the secretive, military-backed oligarchy that governs Algeria.

Ever since Algeria's Islamic insurgency began in 1992, there have been two schools in the military: the *eradicateurs*, who are determined to eliminate the Islamic guerrillas through force of arms, and the *dialoguistes*, who have intermittently favored negotiation.

But seldom, if ever, have the tensions between them appeared so acute, Western diplomats and analysts said Wednesday.

The undeclared war in Algeria has changed in recent weeks. The massacre of more than 100 people in the western suburb of Beni Messous over the weekend and the killing on Aug. 29 of at least 98 people in Sidi Rais, just south of Algiers, were acts of random slaughter carried out over several hours at the gates of the capital.

The scale of the killing, the proximity to Algiers and the initial impunity with which the killers acted were new, even in a conflict that has already taken tens of thousands of lives since the army canceled an election late in 1991 that seemed certain to bring the Islamic Salvation Front to power.

As a result, residents of Algiers said, fear and outright panic on a scale seldom seen have spread through the city. Self-defense groups armed with axes and guns have formed in several areas. The absence of any immediate response or explanation from the government of President Liamine Zeroual, a retired general, only heightened the tension.

In Algiers, the U.S. ambassador, Ronald Neumann, met with President Zeroual on Wednesday and then made a statement that was unusual for its forthright support of the government.

He said that the United States "backs the military measures" for the protection of civilians and that they were "compatible with a state of law."

He also said that the Clinton administration "supports the policy spelled out by President Zeroual" and encourages "national reconciliation" among those who "reject violence."

Also on Wednesday, the government said that it had begun a new onslaught against the Armed Islamic Group, the most hard-line of Algeria's insurgency movements.

The U.S. statement appeared designed to bolster the government at a time of great uncertainty.

It followed a statement issued in London by a

See ALGERIA, Page 10

Albright, in Israel, Finds Hard Mood

Netanyahu Stresses Security; She Urges an Israeli Gesture

By Thomas W. Lippman
Washington Post Service

JERUSALEM — The wide differences between the Clinton administration and the Israeli government over how to salvage the Israeli-Palestinian peace agreement were on full display Wednesday as Secretary of State Madeleine Albright and Prime Minister Benjamin Netanyahu held a joint news conference.

Mr. Netanyahu said an all-out commitment by the Palestinian leader, Yasser Arafat, to put an end to terrorism must precede further steps by Israel to implement the Oslo peace accords.

Mrs. Albright said she agreed that terrorism must stop and that Mr. Arafat had not done enough, but she said that Israel must do its part through economic and political gestures to the Palestinians that give them a sense that peace is worth attaining.

"Real security depends ultimately on real peace," Mrs. Albright told reporters on the sunny terrace outside Mr. Netanyahu's office.

"Achieving this peace turns fundamentally on a political process which meets, through a genuine process of give and take, the needs of both sides. Clearly, Israel also has a responsibility to shape an environment that will give that process a chance to succeed."

Asked if he was prepared to respond favorably to Mrs. Albright by going ahead with further Israeli troop withdrawals from the occupied West Bank or other gestures, Mr. Netanyahu replied:

"We can talk, and you can ask me more questions of this nature, and they'll be largely irrelevant if we don't stop terrorism."

Officials of both Israel and the United States said the positions that Mrs. Albright and Mr. Netanyahu took in their meeting were largely reflected in their public remarks:

Mr. Netanyahu stressed the campaign against terrorism as the essential precedent for all other steps, and Mrs. Albright said the struggle against terrorism can succeed in the end only if the Palestinians are convinced there is something in it for them.

The two also differed, in public and private, over the current value of the Oslo peace agreements, which provided for specific steps over time by both sides leading to increasing cooperation and economic ties.

Mr. Netanyahu has effectively repudiated Oslo by halting troop withdrawals and holding up tax revenue transfers to the Palestinians.

Mrs. Albright restated the U.S. position, which is that accelerated "permanent status" talks on existential issues such as the fate of Jerusalem should

See ISRAEL, Page 10

Deadly Mix In Diana's Chauffeur

Now, Fayed Lawyer Concedes: He Should Never Have Driven

By Anne Swardson
Washington Post Service

PARIS — Henri Paul's system contained a deadly mix of alcohol and drugs when the Mercedes he was driving slammed into a concrete pillar in a tunnel here Aug. 31, killing Diana, Princess of Wales, Dodi al Fayed and Mr. Paul, the Paris prosecutor's office said Wednesday.

One drug was the anti-depressant Prozac. The other is most commonly prescribed for alcoholics, French medical experts said. The combination of the two with alcohol would enhance a feeling of euphoria while reducing physical reaction time and impairing vision, according to experts.

After the prosecutor's statement, a lawyer for the al Fayed family went on French television and, in an abrupt reversal of the family's position, said that Mr. Paul should not have been driving.

Britain plans an inquest. Page 10.

"Monsieur Paul should never have got behind the wheel," the lawyer, Bernard Dartevelle, told France 3 television. "He was without doubt the only one who knew his own condition. If his condition had been known, perhaps despite the haste in which all that happened, he could have been prevented from leaving."

Previously the al Fayed family, through its lawyers, had sought to focus blame for the crash on the role of photographers pursuing the car.

The office of the Paris prosecutor, in only its second formal communication since the fatal crash, said a third analysis of the blood of Mr. Paul, assistant security director for the Hotel Ritz, had determined his blood-alcohol level to be 1.75 grams per liter, or more than three times the legal limit of 0.5 grams per liter. The result was consistent with two earlier tests conducted by the authorities; Mr. Paul's family had requested the additional analysis.

The prosecutor's office said Mr. Paul's system contained a "therapeutic" dose of fluoxetine, the active ingredient in Prozac, and traces of tiapride, a drug prescribed to alleviate aggression and nervous tension. It is most commonly prescribed for recovering alcoholics but should never be taken in combination with alcohol, doctors said.

Someone under the influence of those two drugs and about nine drinks — a tough measure of what Mr. Paul must have had — would be bursting with euphoria and a feeling of invulnerability, experts said. But at the same time, his reflexes and reaction time would be markedly slowed. And his vision would be impaired, particularly at night and while driving at high speeds.

"You could not do worse," said Rene Salinger, a Paris neuropsychiatrist. "There is no worse combination."

Also Wednesday, a newspaper report said that Diana's last words, spoken to an emergency doctor amid the camera flashes of the paparazzi surrounding the car, were: "Leave me alone." Le Parisien quoted the doctor as saying Diana's

See DIANA, Page 10

John Moore/The Associated Press

Thousands of mourners waiting Wednesday to pay their respects to Mother Teresa as she lay in state in St. Thomas Church in Calcutta. The Indian Army will escort Mother Teresa to her grave on Saturday.

Preparing Adieu to 'Mother of People'

Missionaries of Charity Get Waiver of Law Over Teresa's Burial

By Barbara Crossette
New York Times Service

CALCUTTA — Three days before the funeral of Mother Teresa, the Indian government is discovering that it may be a lot easier to say farewell to a president or prime minister than to bury a potential saint.

Almost anything that can unravel is unraveling here. Monsoon rains float away the hastily applied pothole fillings. Walls and fences along the funeral route get half-painted before supplies run out.

Hotels are overbooked, and flights to a city with scant international connections are delayed.

India's notorious telephone system is predictably collapsing, aided by an inexplicable recent decision to change many prefix numbers just after the last city directory appeared. The most common recorded message in Calcutta these days carries the voice of a young lady who says authoritatively, "This telephone number does not exist."

Above all, Indian government officials at state and national level — not to mention the usually efficient army — are finding that there is another formidable center of power in this town: the Missionaries of Charity. The Mother's sisters got organized early and continue to present Calcutta city, the state of West Bengal and the federal government in New Delhi with unanimous decisions that only they are entitled to be flexible about.

The Missionaries of Charity — under their new mother superior, Sister Nirmala, who was born a Hindu Brahmin — managed to get a waiver of the law that burials can take place only in designated cemeteries in order to lay to rest their founding Mother in the compound of her headquarters, down the stairs and across the courtyard from her simple bedroom. Some of the sisters have told local news-

See CALCUTTA, Page 10

Notables Seek Solution To East Timor Rebellion

Letter Asks Suharto's Aid in Ending Conflict

By Michael Richardson
International Herald Tribune

SINGAPORE — In an effort to hasten an end to one of Asia's longest running rebellions, a group of Nobel laureates and other prominent figures recently signed a letter to President Suharto of Indonesia appealing for his "fullest support" for new moves to try to resolve the conflict in East Timor.

But speaking in Jakarta on Wednesday, Indonesia's foreign minister, Ali Alatas, appeared to rule out a key part of a proposed compromise — special autonomous status for East Timor.

He indicated, however, that greater autonomy within Indonesia could be considered in a comprehensive settlement, along with the release of a jailed rebel leader, Jose Xanana Gusmao.

Analysts said that Mr. Alatas's comments suggested there was sufficient flexibility on the Indonesian side for negotiations to move forward.

The letter to Mr. Suharto, a copy of which was made available to the International Herald Tribune, is the latest step in what some observers say may be the most promising diplomatic initiative in more than 20 years to settle the status of the former Portuguese colony, invaded by Indonesia in 1975 and annexed in 1976.

The letter is intended by its signatories to add weight to attempts by the UN secretary-general, Kofi Annan, supported by President Nelson Mandela of South Africa, to find a "just, comprehensive and internationally acceptable solution" to the problem.

Those signing the open letter to Mr. Suharto — including former presidents of four nations, Richard von Weizsaecker of Germany, F.W. De Klerk of South Africa, Oscar Arias Sanchez of Costa Rica, and Patricio Aylwin Azocar of Chile — said that international criticism of Indonesia over East Timor "has had a negative impact on its ability to play a more visible and active role" in world affairs.

"We understand how painful it must be for a proud country to experience so much criticism," the letter to Mr. Suharto said. "Therefore, your central contribution to the well overdue ending of the East Timor problem would be

See TIMOR, Page 10

AGENDA

U.S. 'Disturbed' by Report of Iran Missiles

WASHINGTON (Reuters) — The United States on Wednesday expressed serious concern about reports that Russia and China were helping Iran build long-range nuclear missiles.

The State Department deputy spokesman, James Foley, said that while Russia had given assurances that no such cooperation was going on, the United States "remains disturbed by discrepancies between these assurances and reports of Russian firms cooperating with Iran."

The United States has found no evidence that Beijing has violated a 1994 commitment not to transfer long-range missiles or their components to Tehran, Mr. Foley said. But he asserted that this does not mean that U.S. concerns about China's dealings with Iran have been allayed. He said Washington continues to closely monitor the situation.

Mr. Foley was reacting to a Washington Times report that Russia and China are working closely with Iran in building long-range nuclear missiles that could be fielded within three years. The report said the two missile systems would have a range up to 1,200 miles (1,900 kilometers).

The Dollar

New York	Wednesday @ 4 P.M.	previous close
DM	1.7986	1.8144
Pound	1.5855	1.5895
Yen	119.135	119.15
FF	6.052	6.098

The Dow

	Wednesday close	previous close
-132.33	7719.28	7851.61

S&P 500

change	Wednesday @ 4 P.M.	previous close
-14.6	919.03	933.63

Mike Hutchings/Reuters

BEGGING AMNESTY — One of five former South African police officers, right, who tortured Steve Biko recounting slaying. Page 6.

To Our Readers

Because of technical problems at our Paris offices, the content of Page 14 — business and financial news and tables — was missing from some copies of Wednesday's paper. We regret the inconvenience and apologize for it.

PAGE TWO
Unrepentant Men Who Stalked Diana

ASIA/PACIFIC Page 4.
Visiting Tung Takes On U.S. Congress

Books ..... Page 4.
Crossword ..... Page 11.
Opinion ..... Pages 8-9.
Sports ..... Pages 20-21.

The IHT on-line www.iht.com

Andy Solomon/Reuters

Ambassador Pete Peterson, right, greeting a former Vietnamese captor on Wednesday. Mr. Peterson was shot down 31 years ago to the day.

Reconciliation Hits Home in Vietnam

By Andy Solomon
Washington Post Service

AN DOAI, Vietnam — The last time Douglas (Pete) Peterson dropped in on the small northern Vietnamese village of An Doai, he was taken down from a mango tree and marched off at gunpoint. He then spent the next six and a half years locked up as a prisoner of war.

This time it was different. On Wednesday, 31 years to the day after that fateful night in September 1966, Mr. Peterson — now American ambassador and the United States' first top emissary to be based in Vietnam since the fall of Saigon — was welcomed with open arms.

As oxen and buffalo carts slowly plodded by, crowds of ragged young children and peasant farmers waited for hours in the heat of the morning sun for him to arrive. An Doai, a typical Red River Delta rice farming village, has changed little over the last three decades. The people here are poor but there is electricity, some homes have television, and a few have telephones.

Those old enough to remember chatted in low tones about the night back in the dark days at the height of American bombing against North Vietnam when the big American was here.

On Wednesday, in a crowded meeting room upstairs in a shabby concrete building, Mr. Peterson sat in the shadow of a plaster bust of Vietnam's late president, Ho Chi Minh. "I return here not to relive what was probably the most unhappy day of my life, but to signify to the entire world that reconciliation is not only possible but absolutely the way to reach out," he told his hosts.

As photographers, cameramen and reporters crowded around, Mr. Peterson was offered watermelon and a glass of mineral water. He recounted the story that on the night of his capture, despite a terrible thirst, he refused the water offered him, convinced it was poisoned.

On that September night back in 1966, Mr. Peterson was an air force captain flying his 67th combat mission, and his target was near the Northern port of Haiphong. An anti-aircraft missile hit the tail of his plane, and as the fighter-bomber crashed to earth, Mr. Peterson parachuted out, landing in the An Doai mango tree and becoming the 66th American serviceman captured by the North.

The local militia was alerted and three men were dispatched to find the pilot. Two of those men, Nguyen Viet

See ENVOY, Page 10

Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	125.00 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$30.00

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Years of Relentless Stalking/ **Stubbornly Unapologetic**

Paparazzi Recount Their Pursuit of Diana

By Sarah Lyall and Robin Pogrebin
New York Times Service

LONDON — The paparazzi who made their living from the endless pursuit of Diana, Princess of Wales, called it "being looned" — the moment when Diana would lose her cool and flail wildly at the photographers she often accused of making her life a misery.

To Mark Saunders and Glenn Harvey, among the hardest of the hard-core Diana paparazzi, such incidents, which took place with increasing regularity and vehemence in the last years of her life, were sure signs that "The Loon," as they not-so-affectionately called Diana, was at best fragile and at worst unstable.

But Mr. Harvey and Mr. Saunders, who published a book last year called "Dicing With Di," are so stubbornly unapologetic in their description of life among the Diana-following paparazzi that it is hard to imagine any target who would not have cracked under the pressure.

In an interview this week, Mr. Harvey recounted how he and his colleague followed Diana relentlessly for years, taking pictures of her at the gym, on the street, on vacation, with boyfriends, with her sons, with her former husband, leaving restaurants, department stores and appointments with therapists.

Since the death of Diana, the work of photographers like Mr. Harvey has come under scrutiny as never before, as has the photographic food chain, which begins with stalking the celebrity quarry and ends with the publication of photos in glossy magazines and tabloid newspapers.

Few people these days are willing to admit they are paparazzi, and there are calls in Britain to better protect people's privacy from the intrusion of photographers. But editors and photographers alike say the revulsion against their craft will pass when the furor over Diana's death dissipates. The public's appetite for such pictures, they insist, is voracious.

"There will be a change for a little while in the newspapers," said Christine Cornick, features editor at Alpha, a London-based photographic agency. "It will die down for a little while, but the paparazzi photographs will come back."

In the hindsight afforded by Diana's death in a car accident in Paris last month, the book by Mr. Harvey and Mr. Saunders seems like a prescient nightmare. As the pair describe the princess's increasingly desperate behavior — and occasional reckless driving in her efforts to elude photographers — it is difficult to escape the impression that she and the paparazzi were courting disaster, even while the relationship had clear benefits for both sides.

Mr. Saunders and Mr. Harvey described how their entire professional life had revolved around photographing the Princess of Wales, day after day, no matter what she did or what she said. With words that evoke the brutal language of sexual assault, they use "doing Di," to mean "taking pictures of Diana" — "to bang," "to blitz," "to hose," "to rip," "to smudge" and "to whack" are all ways of saying "to take pictures rapidly."

A paparazzo's job requires luck, a hide like a rhinoceros, and endless amounts of patience for standing around, hoping for something to happen.

"You wait for days and weeks, sometimes, for one picture," Mr. Harvey said in the interview. "A couple of months can go by without a really great photo."

In Diana's case, the paparazzi often began the day outside her apartment at Kensington Palace. When she went to her favorite gym, the Harbour Club, they set up their equipment outside, taking pictures from ladders propped over the club wall, or shooting from an apartment in the housing project across the street, paying the occupants about $80 for the privilege.

Universal Pictorial Press

The paparazzi's entire professional life revolved around photographing Diana, day after day, no matter what she did.

So insatiable was the demand for photos that if a paparazzo heard on good authority that Diana was on her way to, say, New York, he would board the next plane and try to track her down once he arrived; for that reason, Mr. Harvey carried his passport at all times. In this way, he and his colleague spent nearly every vacation of her adult life with Diana — whether she was skiing in Switzerland, sunbathing in Barbados or trying to pass a peaceful weekend at a hotel in Spain with friends.

The next hurdle for the paparazzo is to take the photograph itself, a challenging task when the subject doesn't want to cooperate. But although her increasing desire not to play along made the paparazzi furious with Diana, it also increased their determination to get the picture at any cost.

In "Dicing With Di," the two photographers described hiding out in trees, bushes and phone booths, among other places.

Diana's protestations were often histrionics for the benefit of sympathetic passers-by, Mr. Saunders argued in the book, insisting that the princess had no right to expect privacy when the public had such an appetite for pictures of her.

"Since she had announced her withdrawal from public life, interest in her had been extremely high all over the world and the demand for pictures, especially among the foreign press, had never been greater," he wrote. "It was therefore extremely naive of Diana to think she could just walk down the street without anybody taking any notice, especially with such a photographic price on her head."

While she seemed to make a distinction between the paparazzi who plagued her and other members of the news media, her relationship with the paparazzi was not without its complications. Sometimes she posed happily and deliberately; at other times, she held her hand over her face, burst into tears or angrily confronted the photographers.

"It just depended what mood she was in at that moment," Mr. Harvey said. "From what I saw of her, she could change from one mood to another in a split second. She liked to control the media, really, and especially to control what everyone thought of her."

When she was angry, he said, she was blindly, desperately angry.

Once, Mr. Harvey tracked Diana and her two sons down to a movie theater in a busy square, where they had just seen "Jurassic Park."

"A flash of black shot across my view," he recounted in "Dicing With Di." "It was Diana, but this was a Diana I had never seen before. It was her face, but it was now red and twisted. She was racing towards us through the crowds. Her eyes were fixed on us and then she let out a scream like a wild animal." She confronted Mr. Harvey, he wrote, yelling repeatedly, "You make my life hell."

PHOTOGRAPHS OF Diana could command huge fees — the pictures of her embracing Dodi al Fayed, her last boyfriend, reportedly earned the photographer who took them more than $3.2 million worldwide — and were a constant source of interest to the editors of British tabloids, who are desperate to use exclusive pictures ahead of the competition.

But Mr. Harvey said that many of his shots did not earn more than a couple of hundred dollars, leaving his annual income hovering at around $40,000, in part because he generally must pay his own, often considerable, expenses.

At the time of Diana's death, the market was so flooded with photographs of the princess that none by itself was particularly important, said Phil Bunton, editor in chief of The Star, the American supermarket tabloid.

Pictures of her were so easy to come by, he said in an interview, that the magazine had managed to splash her photograph on its cover some 75 times, usually without resorting to a bidding war.

Mr. Harvey's and Mr. Saunders's book was to be withdrawn after the princess's death, according to its publisher, Blake Publishing.

But the managing director, John Blake, said that the company was "taking the longer view" in the face of more than 20,000 orders, especially from the United States, and thought the book should remain on sale.

Mexican Politics Enter Era of Give-and-Take

Opposition in Congress Grills Top Official

By Julia Preston
New York Times Service

MEXICO CITY — Mexico, in its first weeks under a newly pluralistic political system, has abandoned several authoritarian traditions, as the president removed the leader of his party without naming a new one and the opposition dressed down the interior minister in the halls of Congress.

The governing Institutional Revolutionary Party announced Tuesday that its president, Humberto Roque Villanueva, would step down to become chief executive of a state-owned insurance company.

Mr. Roque's resignation had been expected since the party lost its majority in the lower house of Congress for the first time in seven decades in national elections July 6.

In addition, party officials said, Mr. Roque fell out of favor with President Ernesto Zedillo after the party leader made statements on election night belittling the opposition's gains while Mr. Zedillo was praising the vote as a major advance for democracy in Mexico.

Mr. Zedillo, according to a member of his staff, then declined to exercise his right to select the new party leader and instead had Mr. Roque removed in a way that would force the party to come up with a voting procedure for choosing a new chief.

Within hours of the announcement of Mr. Roque's resignation, top politicians of the government's party began to campaign before the press in public jockeying rarely seen in a party that conducted most of its business behind closed doors.

[A likely successor emerged late Tuesday after several leaders in the governing party threw their support behind Mariano Palacios Alcocer, a little-known former state governor and federal deputy, Reuters reported. Party officials said a formal vote for a new leader would take place Thursday.]

Meanwhile, the formerly all-powerful interior minister, Emilio Chuayffet Chemor, went before an open session of the lower house of Congress to defend his performance.

Opposition lawmakers called him deceitful, and 20 of them, including several high-ranking members of opposition parties, sent a letter to Mr. Zedillo saying they did not trust the minister enough to work with him. They accused him of orchestrating an effort to delay the opening of Congress and called the maneuver a power play.

■ Support for Zapatista Caravan

A convoy of Zapatista rebels received an emotional welcome when it rolled into Juchitan, a city near Mexico's Pacific coast with a large Indian population, and called for unity among Mexico's indigenous peoples, The Associated Press reported.

More than 5,000 supporters and onlookers gathered Tuesday to greet the convoy, which is headed for a Zapatista gathering in Mexico City to promote the leftist movement's campaign for Indian rights.

"What we have to do is see who are our enemies and be tough with them," a rebel leader known only as Hugo said in a speech in Juchitan's central plaza.

Red, white and green lights shone in the tree-studded square over banners calling for the departure of thousands of federal soldiers from the southern state of Chiapas, the renewal of stalled peace talks between the government and the rebels and the implementation of a partial peace accord the government signed with them last year.

Juchitan was the first stop in a four-day journey to the capital by 1,111 representatives of villages that support that Zapatista National Liberation Army in Chiapas.

The Zapatistas hope their caravan will put them back in the national spotlight they obtained after their brief uprising in January 1994, in which about 145 people were killed.

A $10 Million War Recovery

U.S. Accuses Japanese Man of Trying to Sell Drawings

By Benjamin Weiser
New York Times Service

NEW YORK — Federal prosecutors said they had recovered more than $10 million worth of valuable drawings, including works by Rembrandt and Albrecht Durer, that were part of the collection looted from the Bremen Museum in Germany at the end of World War II and later stolen from the National Museum of Baku in Azerbaijan.

They said customs agents had seized some of the artwork from a Japanese man in a Manhattan hotel room. Prosecutors said the man had told German officials that he was seriously ill and needed to sell 12 drawings to pay for a kidney transplant. They said he had sought $6 million for the drawings.

The U.S. attorney's office on Tuesday charged the man, Masatsugu Koga, 60, with possession and sale of stolen artwork. At a hearing in Manhattan federal court, he was released on bail pending another hearing next week.

An assistant U.S. attorney, Maxine Pfeffer, told a federal magistrate that the drawings included "very valuable and long-lost" art, including one Durer, titled "Women Bathing," valued at $6 million. She also referred to a Rembrandt valued at about $2 million.

Federal authorities, quoting Bremen Museum officials, said in court papers that some of the recovered drawings were among thousands of works that the museum moved for safety to a castle elsewhere in Germany in 1943 and that were eventually lost after the Soviet Army took over the castle toward the end of World War II.

German authorities sought to recover the 12 drawings after learning they were being shown in 1993 in the National Museum of Baku, according to the court papers.

According to court documents, Mr. Koga told German museum officials that he had purchased the 12 drawings in Baku and that he knew they had been stolen from the Baku Museum.

He said through a translator that he had been "deceived cruelly" by officials in Germany and that he had only been trying to return the missing artwork to Bremen as "an act of kindness and cooperation."

Gingrich and Lott Support Curbs On Foreign Religious Persecution

Reuters

WASHINGTON — The Republican leaders of the House of Representatives and the Senate vowed Wednesday to step up U.S. government efforts to combat religious persecution wherever it may occur.

In comments that could foreshadow friction with such alleged offender countries as China, Saudi Arabia and Pakistan, the leaders said that the fight against religious intolerance was a core U.S. value.

"This is one of the top priorities of this Republican Congress," the House speaker, Newt Gingrich, Republican of Georgia, said after meeting spiritual leaders pushing a bill that would shut off all but humanitarian foreign aid to offending countries.

Among those who met in Mr. Gingrich's office were Don Hodel, president of the Christian Coalition, a grass-roots conservative movement; Lodi Gyari, a special envoy of the Dalai Lama, and Tsutrim Dolma, a 28-year-old former Tibetan nun who says she was raped by Chinese policemen in her homeland.

The Senate majority leader, Trent Lott of Mississippi, who also attended the session, said Congress would take up legislation aimed at protecting religious freedom worldwide "and we're going to do it this year."

On Tuesday, the Clinton administration voiced strong opposition to a proposed "Freedom from Religious Persecution Act" that is moving swiftly through the House and the Senate.

The bills, sponsored by two Republicans, Representative Frank Wolf of Virginia and Senator Arlen Specter of Pennsylvania, would do more harm than good by fueling extremists, said John Shattuck, the assistant secretary of state for human rights. Also, the measure could hurt "vital bilateral relations with key allies and regional powers," he told a House committee.

TRAVEL UPDATE

Pollution in Athens Near Danger Level

ATHENS (AP) — Unseasonably high temperatures and traffic congestion following the return of thousands of Athenians after summer vacations pushed air pollution to alarm levels Wednesday.

Nitrogen dioxide hovered near the danger level in parts of central Athens, the Environment Ministry said, while afternoon temperatures exceeded 30 degrees centigrade (86 degrees Fahrenheit).

Rail traffic between Hannover and Berlin was disrupted for several hours Wednesday after a freight train derailed and damaged a crossing between Hannover and Braunschweig, the police said. No one was injured. *(AFP)*

Taxi drivers tied up traffic in Rome and on the Bologna-Florence highway Wednesday to protest government plans to create new city bus services *(AP)*

Espy Pleads Not Guilty

The Associated Press

WASHINGTON — Former Agriculture Secretary Mike Espy pleaded not guilty Wednesday to charges that he accepted and tried to hide more than $35,000 worth of sports tickets, travel and other gifts from agribusinesses. Mr. Espy, who resigned from President Bill Clinton's cabinet in 1994, entered the plea during a brief hearing before Judge Ricardo Urbina of U.S. District Court.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Sunshine and dry weather will return to the Pacific Northwest this weekend. Hot and dry weather will continue across the Southwest. Damp and rainy weather in the Northeast Friday will give way to some sunshine on the weekend. Dry and pleasant across the Midwest.

Europe Rainy and cool weather will dominate across much of Scandinavia Friday through Sunday. A few showers are likely in London and Paris Friday, then drier and cooler on the weekend with some sunshine. Very warm across Spain and Italy, but a thundershower is possible over the weekend.

Asia Typhoon Oliwa may head toward southern Japan Saturday or Sunday; otherwise, very warm and humid in Seoul and Tokyo with clouds, sun and the chance of a shower. It will be sunny, hot and dry across much of southwestern China this weekend, but soaking rains are likely over southeastern China.

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	27/80	17/62 s	26/79	18/64 pc
Amsterdam	23/71	13/55 pc	20/68	11/52 pc
Ankara	19/66	9/34 pc	20/68	4/39 s
Athens	36/79	17/62 s	29/84	19/66 pc
Barcelona	25/77	17/62 pc	26/79	19/66 pc
Belgrade	22/71	11/52 s	28/82	17/62 pc
Berlin	22/71	14/57 pc	24/75	14/57 pc
Brussels	23/73	13/55 s	21/70	11/52 pc
Budapest	20/68	11/52 pc	26/79	17/62 s
Copenhagen	21/70	14/57 c	21/70	13/55 pc
Costa Del Sol	29/84	17/62 pc	27/80	19/66 s
Dublin	19/61	10/50 sh	11/52	3/37 pc
Edinburgh	17/62	12/53 sh	14/57	3/37 pc
Florence	25/77	12/53 s	27/80	17/62 s
Frankfurt	22/71	13/55 pc	25/77	14/57 pc
Geneva	27/80	13/55 s	24/75	13/55 pc
Helsinki	19/61	7/44 pc	19/66	11/52 pc
Istanbul	23/73	17/62 s	26/79	17/62 pc
Kiev	15/59	6/46 sh	21/70	13/55 s
Las Palmas	28/82	23/73 pc	28/82	22/71 pc
Lisbon	26/79	16/61 c	25/77	17/62 pc
London	22/71	13/55 pc	18/64	9/43 pc
Madrid	35/95	18/61 pc	30/86	15/59 pc
Mallorca	29/82	15/59 s	28/82	19/64 s
Milan	26/79	14/57 s	27/80	17/62 s
Moscow	14/57	7/44 pc	18/61	9/48 pc
Munich	21/70	11/52 s	23/73	13/55 s
Nice	24/75	17/62 s	25/77	18/66 pc
Oslo	21/70	11/52 pc	18/64	7/44 sh
Paris	26/79	10/50 s	22/71	9/48 pc
Prague	20/68	11/52 pc	25/77	14/57 s
Reykjavik	4/39	1/34 sh	3/37	-3/29 pc
Riga	18/61	10/50 r	18/64	14/57 c
Rome	30/86	18/66 pc	28/84	19/66 sh
St. Petersburg	16/61	11/52 sh	17/62	12/53 pc
Stockholm	16/59	11/52 pc	19/66	12/53 pc
Strasbourg	26/79	14/57 s	26/79	14/57 pc
Tallinn	18/61	6/46 c	17/62	12/53 c
Tbilisi	27/80	16/59 pc	17/62	8/46 pc
Venice	23/73	14/57 s	28/82	18/64 c
Vienna	23/73	16/61 pc	26/79	19/61 pc
Warsaw	18/64	12/53 c	22/71	13/55 pc
Zurich	24/75	14/57 s	24/75	14/57 s

Middle East

Abu Dhabi	43/107	26/79 s	41/106	26/79 s
Beirut	27/80	19/66 s	27/80	20/68 pc
Cairo	34/93	19/66 s	33/91	19/66 pc
Damascus	31/88	11/52 s	29/82	12/53 s
Jerusalem	27/80	13/55 s	27/80	14/57 pc
Luxor	40/104	16/61 s	37/98	19/66 s
Riyadh	42/107	24/75 s	41/106	26/79 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	18/61	7/44 pc	17/62	8/46 pc
Atlanta	28/82	17/62 sh	28/82	17/62 pc
Boston	19/66	16/61 sh	21/70	15/59 r
Chicago	21/70	12/53 pc	23/73	13/55 pc
Dallas	30/86	17/62 s	29/84	18/64 s
Denver	31/88	13/55 pc	29/84	11/52 s
Detroit	21/70	13/55 sh	22/71	12/53 pc
Honolulu	32/89	23/73 pc	32/89	24/75 pc
Houston	30/86	18/64 s	30/86	18/64 s
Los Angeles	33/89	18/64 s	32/89	19/66 s
Miami	31/88	24/75 sh	33/91	24/75 t
Minneapolis	23/73	12/53 s	22/71	12/53 pc
Montreal	19/66	17/62 sh	24/75	14/57 r
Nassau	31/88	24/75 pc	32/89	25/77 pc
New York	22/71	19/66 r	23/73	17/62 sh
Orlando	31/88	23/73 pc	32/89	21/70 t
Phoenix	41/106	27/80 pc	39/102	26/79 s
San Fran.	23/73	14/57 pc	23/73	14/57 pc
Seattle	23/73	12/53 pc	20/68	11/52 pc
Toronto	21/70	14/57 sh	23/73	12/53 sh
Vancouver	17/62	8/46 c	19/61	7/44 pc
Washington	24/75	20/68 r	26/79	17/62 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	27/80	11/52 s	26/79	14/57 s
Baku	28/84	20/68 s	29/84	21/70 pc
Bangkok	32/89	23/73 sh	32/89	25/77 pc
Beijing	25/77	17/62 r	26/79	14/57 r
Bombay	28/82	23/73 r	28/82	23/73 c
Calcutta	28/82	25/77 sh	30/86	24/75 c
Chiang Mai	31/88	22/71 sh	30/86	23/73 sh
Colombo	29/84	24/75 sh	29/84	24/75 c
Hanoi	31/88	24/75 c	31/88	26/79 pc
Ho Chi Minh	32/89	23/73 pc	31/88	24/75 c
Hong Kong	29/84	24/75 pc	29/84	24/75 pc
Islamabad	39/102	22/71 s	38/100	22/71 t
Jakarta	30/86	22/71 pc	31/88	23/73 pc
Karachi	33/91	26/79 pc	33/91	25/77 pc
K. Lumpur	31/88	22/71 sh	31/88	23/73 c
K Kinabalu	30/86	22/71 r	29/84	23/73 r
Manila	29/84	22/71 sh	29/84	23/73 pc
New Delhi	34/93	25/77 pc	34/93	24/75 sh
Phnom Penh	31/88	23/73 pc	31/88	24/76 pc
Phuket	32/89	23/73 sh	32/89	25/77 pc
Rangoon	29/84	22/71 pc	28/82	23/73 c
Seoul	28/79	18/61 pc	27/80	19/66 c
Shanghai	28/82	24/75 r	29/84	23/73 sh
Singapore	30/86	21/70 pc	30/86	23/73 c
Taipei	31/88	24/75 pc	31/88	24/75 pc
Tokyo	26/79	23/73 pc	27/80	25/77 c
Vientiane	29/84	21/70 c	29/84	22/71 pc

Africa

Algiers	29/84	17/62 s	33/91	21/70 pc
Cape Town	23/73	13/55 pc	25/77	14/57 pc
Casablanca	24/75	16/61 s	29/77	20/68 s
Harare	22/71	11/52 pc	22/71	10/50 pc
Lagos	28/82	22/71 pc	27/80	23/73 c
Nairobi	27/80	10/50 pc	27/80	11/52 pc
Tunis	31/88	21/70 pc	33/91	21/70 r

Latin America

Buenos Aires	17/62	11/52 pc	12/53	1/34 pc
Caracas	22/84	22/71 pc	29/84	22/71 pc
Lima	21/70	17/62 s	21/70	17/62 pc
Mexico City	22/71	12/53 c	23/73	13/55 pc
Rio de Janeiro	26/79	20/68 pc	26/79	20/68 pc
Santiago	13/55	-1/31 s	11/52	-1/31 s

Oceania

Auckland	17/62	12/53 sh	16/61	9/48 sh
Sydney	17/62	10/50 pc	18/64	9/48 pc

Correction

An article in the Sept. 2 issue incorrectly stated that Sweden was among the producers of anti-personnel land mines.

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Printed by Newsfax International, London Registered as a newspaper at the post office.

THE AMERICAS

Student Testing Falters on National Fault Lines

By Peter Applebome
New York Times Service

NEW YORK — Even if it is approved by Congress, President Bill Clinton's proposed national testing program of student achievement is traversing so many political land mines in states, cities and school districts that many experts wonder whether it will ever be widely used.

Congress is expected to vote this week on spending bills that would bar the use of federal money for developing the national tests in fourth-grade reading and eighth-grade math urged by Mr. Clinton.

The president is proposing something that has never been done in the nation's schools: a national test of student achievement that would allow parents and schools in Ohio, New York or Alaska to compare how individual students and schools perform.

While much of the congressional debate has centered on the broad issue of whether the tests represent an unwarranted federal intrusion into local schools, it is the details of the two tests that are drawing more heat: Should they be given in Spanish and other languages as well as English? Should students who fail be held back a grade? Should calculators be allowed?

The tests, scheduled to be given for the first time in March 1999, are being criticized by minorities who think they will further stigmatize the poor; by conservatives who think they favor liberal pedagogy, and by ethnic groups who say they should be given in languages other than English.

So far, 6 states and 15 major urban school districts, including New York City, have said they will use the tests, but knotty political issues have arisen in some cities. The Los Angeles school system, with its heavily immigrant population, has backed away from its commitment to the reading test because the test is being given only in English.

"It may not be possible to do national testing in America under government sponsorship," said Chester Finn, a conservative education analyst who initially supported Mr. Clinton's proposed test and now opposes it. "There may just be too many fault lines in our politics and our educational systems."

Mr. Clinton's plan calls for 90-minute tests of fourth-grading reading and eighth-grade mathematics to be given on a voluntary basis beginning in March 1999. The reading test would be given only in English. The math test would be given in English and Spanish. It would cost $27 million to develop the tests.

Administering them would cost about $10 to $12 for each of the 8 million 9-year-olds and 13-year-olds who would take the tests. Under the Clinton proposal, the federal government would pay costs in the first year; state or local districts would pay for it after that.

One major issue is language. Civil rights groups such as the Mexican-American Legal Defense and Educational Fund are opposing the reading test because it will be given only in English. But some conservatives are furious that the math test will be given in Spanish; others wonder why it is not being translated into other languages as well.

At least as volatile is the issue of how test results will be used. The Congressional Black Caucus and major civil rights groups have come out against the tests, saying they would be used to stigmatize poor children without adequate resources and would be abused for "high-stakes" purposes like tracking minority students into low-status classes.

Administration officials say there are numerous guidelines in place to guard against misuse, but even some supporters of the tests say that if they are widely used they are almost certain to be used for far-reaching purposes like teacher evaluations or whether children should be promoted to the next grade.

"I think that people who are nervous about this test have a right to be concerned," said Anthony Carnevale, vice president for public leadership with the Educational Testing Service, "because the test will have consequences. The real question is, are the consequences progressive? And I think they are."

POLITICAL NOTES

Emile Wamsteker/The Associated Press

The Reverend Al Sharpton speaking in New York. He placed second in a mayoral primary, forcing a runoff.

Insurance Firms Set To Abandon Clinton

WASHINGTON — An out-of-court financial settlement in Paula Corbin Jones's sexual harassment lawsuit is increasingly unlikely because the insurance companies that have paid President Clinton's bills are pulling out of the case, representatives of both sides say.

Two insurance companies have borne the cost of Mr. Clinton's defense because of indemnity policies he bought years ago and would have financed any settlement to Ms. Jones had the two sides agreed on one. But technical changes in the case have prompted one of the companies to withdraw, and the other is poised to back out soon.

"If there is a final departure of insurance money, obviously that makes a settlement almost impossible," said Robert Bennett, Mr. Clinton's chief attorney. "The president isn't going to pay any money to Jones out of his own pocket."

The loss of insurance coverage amounts to a costly blow to Mr. Clinton. Already saddled with more than $2.25 million in legal bills from the ongoing Whitewater investigation, he now faces the prospect of at least an additional $1 million in expenses to Mr. Bennett's firm over the next nine months for the harassment case.

Until now, Mr. Clinton's $1.5 million in legal bills in the Jones case has been paid by State Farm Insurance Cos. and Pacific Indemnity, a unit of Chubb Group Insurance. *(WP)*

A Runoff in New York

NEW YORK — Ruth Messinger has been forced into a runoff for the Democratic mayoral nomination with the Reverend Al Sharpton, as a low voter turnout in a three-way race, combined with a strong performance by Mr. Sharpton, dashed her hope for a jubilant primary night sendoff into the fall campaign.

With all 5,627 precincts reporting on Tuesday night, Ms. Messinger had 155,913 votes, or 39 percent, to 126,799 votes, or 32 percent, for Mr. Sharpton. The third major candidate in the race, Sal Albanese, a councilman, had 83,402 votes, or 21 percent.

A candidate in a mayoral primary is required to win 40 percent of the vote to capture the nomination. The runoff, to be held Sept. 23, will be the first Democratic runoff since 1977, when Edward Koch defeated Mario Cuomo.

Ms. Messinger's aides attributed the result Tuesday night to the case of Abner Louima, the Haitian immigrant who prosecutors said was assaulted while in police custody in Brooklyn on Aug. 9. Mr. Sharpton quickly identified his campaign with the Louima case, and Ms. Messinger's aides pointed to Mr. Sharpton's victory in Brooklyn as proof of the success of that strategy. *(NYT)*

Quote / Unquote

President Clinton, on the recent deal to balance the budget by 2002: "After years in which the two parties seemed often as tired and trapped as punch-drunk fighters in a ring getting smaller and smaller, finally we found a way for Democrats and Republicans to work together for the national interest." *(NYT)*

A Battle on Fraud

Clinton Plan Would Give Police Wide Access to Medical Records

By Robert Pear
New York Times Service

WASHINGTON — Bowing to federal and state law-enforcement authorities, Clinton administration officials will soon propose legislation that would allow police officers to gain broad access to patients' medical records with few restrictions on the use or redisclosure of the information.

While law-enforcement authorities frequently negotiate access to such materials now, President Bill Clinton's administration is recommending that health-care providers and those who pay for such care be explicitly "permitted to disclose health information without patient authorization" when the records are sought by federal or state investigators.

The proposal is significant because federal and state officials have, in recent years, placed much higher priority on investigations of fraud in the trillion-dollar health-care industry. They sift through tens of thousands of patients' records while investigating suspected abuses by hospitals, doctors, nursing homes, laboratories, health plans and suppliers of medical equipment.

Investigations by the FBI alone of health-care fraud have tripled over the past five years, to more than 2,200 in 1996, as officials have tried to save the government money by cracking down on fraud.

"We recommend that providers and payers be permitted to rely on the statement of law-enforcement officials that an inquiry meets these standards," the administration says in a report drafted for submission to Congress.

Donna Shalala, secretary of health and human services, plans to announce the proposals at a congressional hearing Thursday.

The administration will propose safeguards that limit access to medical records by employers, researchers, drug manufacturers and direct-marketing companies, among others. It would establish civil and criminal penalties for misuse of the records.

But law-enforcement agencies would be exempt from most of the standards. Under the administration's proposal, it would be easier for investigators to get access to medical records than to records of banks, cable-television operators, video-rental stores or electronic mail, all of which are protected by federal privacy statutes.

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AMERICAN TOPICS

High School Students as Volunteers? A Graduation Ticket Few Can Refuse

It sounds oxymoronic — enforced volunteerism — but the idea of requiring high school students to spend scores of hours serving their communities before they are allowed to graduate has been spreading. The state of Maryland has the most sweeping requirement. Students there must complete 75 hours of community service to graduate. The schools are fairly flexible: Students can work in soup kitchens, do errands for the elderly or disabled, tutor other students, even shelve books in a public library or clean up school grounds.

Other states and cities have imposed similar requirements. In cases in New York and Pennsylvania, federal judges have upheld the legality of doing so. Next year, Chicago will phase in a community service requirement for its 95,000 high school students.

Concerns in Maryland, which helped pioneer the approach, that large numbers of students might fail to meet the requirement have evaporated. This year, all but seven of 42,000 seniors met the goal.

Short Takes

A high-tech system that keeps track of whether restaurant employees wash their hands after using the toilet is being tested at a casino in Atlantic City, New Jersey. Twenty kitchen employees at the Tropicana Casino and Resort are being required to wear a badge that triggers an infrared sensor when they enter the restroom. A second sensor, at the soap dispenser, is activated if they remain at the sink for at least 15 seconds. A red light glows on the badge if an employee skips the sink or fails to use soap. The system responds to studies that show that large numbers of people routinely fail to wash up on their way out of public restrooms, a particular concern when they are food workers. But a union representing the restaurant workers says the system is "Orwellian" and plans to file a complaint.

Congress this autumn is likely to pass a measure inviting the 50 states to design their own symbols for the back of the 25-cent piece, temporarily replacing the eagle that has occupied that space since 1932 (except in 1975 and '76, when a Revolutionary War minuteman filled in). Mints in Denver and Philadelphia would produce the quarters from five states a year for 10 years beginning in 1999, The Denver Post reports. People have already begun proposing appropriate symbols for their states. Some in Illinois suggest that the Chicago Bulls basketball superstar Michael Jordan would do just fine.

Brian Knowlton

Away From Politics

• **The head of the American Federation of Teachers,** Sandra Feldman, said in a report Wednesday that schools often let students who are failing advance a grade instead of working with them to improve their skills. She said it was a core reason why so many colleges and businesses are spending more time giving high school graduates remedial training *(WP)*

• **Sheila Widnall is resigning** as secretary of the air force Oct. 31 to return to teaching at the Massachusetts Institute of Technology. *(AP)*

• **The Virginia Military Institute,** just weeks after enrolling its first coed class, has suspended a female cadet for a year for striking a male student. The senior class president, Kevin Trujillo, said Angelica Garza "popped off a little attitude with an upperclassman." *(AP)*

• **Harvard University is creating a chair** in gender studies to be occupied by Carol Gilligan, a Harvard professor noted for her work in how girls learn and for her exploration of women's psychological development. *(NYT)*

• **A roofer who raped a 15-year-old girl** and killed her two brothers was executed by injection in Texas. *(AP)*

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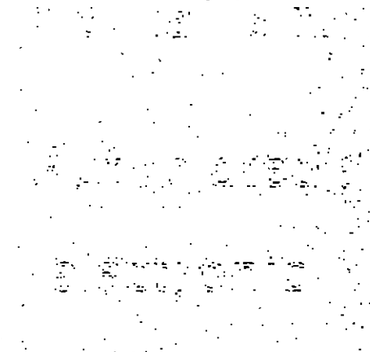

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Hong Kong Chief Tests U.S. Mood on Changes

By David E. Sanger
New York Times Service

WASHINGTON — In the first of a series of high-level visits over the next two months between U.S. and Chinese leaders, the new chief executive of Hong Kong, Tung Chee-hwa, has sparred with members of Congress over human rights and declared that Hong Kong would soon enjoy more democracy "than we ever had in 156 years of colonial rule."

The arrival of Mr. Tung, a shipping magnate chosen by Beijing to run Hong Kong, precedes by a month and a half a long-waited summit meeting here between President Jiang Zemin of China and President Bill Clinton.

At times on Tuesday, it seemed as if Mr. Tung's visit was intended to vent some of the pent-up frustration with China's human rights record in Congress before Mr. Jiang arrives.

Mr. Tung clearly decided that the best defense was a good offense, favorably comparing his own proposal for elections in Hong Kong — which has been widely criticized as aiding conservative business interests — to the former British rule.

But in a series of visits Tuesday, he skipped lightly over his decision to roll back the electoral reforms pushed through before the handover.

The reforms paved the way for the opposition Democratic Party to win the largest share of seats in Hong Kong's colonial legislature in the 1995 election.

[Mr. Tung said Wednesday that Hong Kong was moving toward greater democracy "in an orderly manner, a manner we feel is in the best interests of Hong Kong," Reuters reported.

["Universal suffrage is the ultimate aim," he said at a breakfast in a Senate caucus room.]

Mr. Tung also lashed out at U.S. news coverage of the July 1 handover, arguing that it had been slanted to give viewers the impression that the Chinese Army was taking over the city.

"On July 1, after showing the official ceremony, the TV pictures switched to People's Liberation Army soldiers entering Hong Kong," he said, "not emphasis on the peaceful return of a territory taken years ago in an unjust war, not consideration of Hong Kong people being given full responsibility for their government for the first time in their history."

Yun Suk-bong/Reuters

FASHION ON PARADE — In a chemical-war test, South Korean soldiers groping their way Wednesday through a Seoul tourist area.

Usually talkative and relaxed, Mr. Tung seemed a little nervous as he met with members of Congress critical of China and of Mr. Tung's reworking of Hong Kong's electoral system.

Mr. Tung met with Treasury Secretary Robert Rubin, who is to travel to Hong Kong next week for annual meetings of the World Bank and International Monetary Fund.

At the Treasury, Mr. Tung emphasized Hong Kong's economic health in the face of a currency crisis that has swept through the rest of Southeast Asia. He reassured Mr. Rubin that Hong Kong would continue to peg its currency to the U.S. dollar — one of the city's main claims to financial stability. Thailand and Indonesia recently dropped the link between their currencies and the dollar and the yen.

But even Mr. Rubin brought up human-rights and free-speech issues, tying them to Hong Kong's future financial health. Mr. Tung touched on the same theme in his speech, declaring that his city would "continue to uphold academic and media freedom" and would remain "the best place to find out what is going on across Asia."

Marcos Decision Due in November

Agence France-Presse

MANILA — President Fidel Ramos said Wednesday that he would announce in November whether he would seek a second term, a move that has drawn criticism from the Roman Catholic Church and would require a change in the constitution.

The Catholic Church, raising fears of a military dictatorship similar to the one imposed by Ferdinand Marcos in 1972, announced that it would go ahead with a nationwide protest, including a rally in Manila on Sept. 21, after failing to receive assurances from the president that he would not run for office again.

Mr. Ramos was asked at a news conference to categorically rule out running in the presidential election next May 11.

He replied: "Wait, be patient. November is coming."

Mr. Ramos referred to the selection process by his Lakas party to choose its presidential candidate, at which there are seven declared aspirants excluding himself.

"I'm not ready to give any answers now until we finish our own process," he said, implying that the party may choose him as its candidate.

U.S. Presses North Korea to Attend Peace Talks

The Associated Press

BEIJING — Following lengthy meetings Wednesday with North Korean officials, a U.S. diplomat was still unable to say whether the Communist country would join peace talks next week.

Deputy Assistant Secretary of State Charles Kartman, on a mission to keep the peace talks on track, said progress was made in discussions with the North Korean vice foreign minister, Kim Gye Gwan, and that they would meet again Thursday morning.

But when asked whether North Korea would attend next week's talks, Mr. Kartman said, "I'm afraid I can't give you an answer. We're still engaged, and we'll be able to make an announcement as soon as we know something."

North Korea cast doubt on its participation in the talks following the defection last month of its ambassador to Egypt and his brother, a diplomat in Paris.

Pyongyang accused Washington of trying to obstruct the talks by granting the pair asylum. It also immediately halted negotiations with the United States on stopping North Korean sales of missile technology to Iran, Syria and other countries that Washington regards as dangerous.

Next week's talks are supposed to set an agenda for formal negotiations to end the hostilities on the Korean Peninsula. North Korea attended the first round of meetings in New York last month.

On the eve of Wednesday's meeting with the North Koreans, Mr. Kartman had expressed confidence that the talks next week, which also include South Korea and China, would go ahead as planned.

Communist North Korea and the capitalist South technically remain at war since they have signed only an armistice and not a formal peace treaty.

Two years ago, Pyongyang indicated it no longer considered the armistice valid.

But at the New York meeting, North Korean diplomats said the country would respect the pact until a new security mechanism was negotiated.

President Bill Clinton proposed the four-party talks in April 1996. The United States backed South Korea in the Korean War, while China supported North Korea.

China's Foreign Ministry urged all sides to make next week's meetings happen. But a ministry spokesman, Shen Guofang, cautioned against expecting quick results.

Open Appeal Made to Free Zhao Ziyang

Reuters

BEIJING — Supporters of the former Communist Party chief Zhao Ziyang on Wednesday issued an open appeal to the party to free him from house arrest before the party congress opens this week.

The appeal was the first since the former anointed heir of Deng Xiaoping was purged for failing to oppose the student-led demonstrations that were crushed by the army on June 3-4, 1989, with heavy loss of life.

"It is already eight years since the disturbances of 1989, and we believe that to restrict the rights and freedoms that Comrade Zhao Ziyang enjoys as a party member and as a citizen is abnormal," said the open letter, to be delivered to the party.

The appeal for an end to restrictions imposed on Mr. Zhao, 77, who has disappeared from the public eye since his fall from power in 1989, was unsigned but was drafted by a group of supporters in the party, government and even the military, Chinese sources said.

Copies of the letter have already been circulated among party members and delegates gathering in Beijing for the congress that opens on Friday, the 15th since the founding of China's Communist Party in 1921.

More than eight years after Mr. Deng and other senior officials sent the army to crush the 1989 demonstrations centered in Tiananmen Square, Mr. Zhao lives under virtual house arrest in a spacious house in central Beijing. He has been allowed out occasionally to indulge his passion for golf, the sources said.

In February, his successor as head of the party, Jiang Zemin, turned down his request to return early from a rare trip outside the capital to attend the funeral of his former mentor, Mr. Deng.

Weeks later, Mr. Jiang barred Mr. Zhao from the funeral of the elder statesman Peng Zhen.

Diplomats say China's current leaders remain nervous about the influence of Mr. Zhao, whose relatively liberal political and economic policies made him popular while in office.

In recent months, Mr. Jiang has moved to revive several policies closely linked with Mr. Zhao in the mid-1980s, including political reform and changes in the ownership of state enterprises.

Unlike leaders toppled in previous purges, Mr. Zhao has refused to acknowledge his mistakes — giving him potentially strong moral clout among Chinese who disagree with the verdict of his hard-line successors that the Tiananmen protests were seditious.

BRIEFLY

Taleban Planes Bomb Rival City

KABUL — Taleban warplanes bombed the main opposition stronghold of Mazar-e-Sharif on Wednesday, and fighting erupted around the embattled northern city for a second day, aid workers said.

Gunfire and shelling could be heard from inside the city, but there was no immediate word on casualties. Armed men inside Mazar-e-Sharif looted the offices of several international aid agencies, stealing equipment and vehicles.

The lawlessness came amid reports that a key opposition leader, Malik Pahlawan, had left Mazar-e-Sharif.

In three days of fighting, the Taleban has advanced toward Mazar-e-Sharif, briefly capturing the airport Tuesday and seizing land near the outskirts of the city. It was the first time the Taleban had threatened the opposition stronghold since May. *(AP)*

Jailed Tibet Monk On Hunger Strike

BEIJING — A senior Tibetan Buddhist monk being held in isolation in a remote Chinese prison has been on a hunger strike since July, a human-rights group said Wednesday.

The monk, Chadrel Rinpoche, 58, is not allowed to leave his cell in the Chuandong No. 3 Prison in Dazu County in Sichuan Province, the group Human Rights in China said in a statement.

An official at the foreign affairs office in Tibet, contacted by telephone in Lhasa, said the office knew nothing about the case. *(AP)*

New Delhi to Ban Many Old Vehicles

NEW DELHI — The administration plans to ban people driving commercial vehicles that are more than 15 years old in the capital in a bid to check stifling pollution, officials said Wednesday.

Rajendra Gupta, New Delhi transport minister, said the ban would cover thousands of buses, taxis and scooter-rickshaws. "Pollution is the number one problem in Delhi," Mr. Gupta said, adding that hard solutions were needed. *(AFP)*

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BOOKS

UNCROWNED KING
The Life of Prince Albert

By Stanley Weintraub. Illustrated. 478 pages. The Free Press. $27.50.

Reviewed by Michael Rosenthal

IT can't be easy to be married to the Queen of England, particularly if you are an insignificant 20-year-old prince from an obscure duchy in a foreign country and your native language happens to be German. Such was the predicament in which Prince Albrecht of Saxe-Coburg and Gotha found himself when he accepted Victoria's marriage proposal on Oct. 15, 1839.

The drama of Albert's life, and of Stanley Weintraub's biography, lies in the struggle of a diversely talented, ambitious man to overcome the handicaps of public suspicion, personal isolation and political superfluousness to become, in Weintraub's words, the "uncrowned king of the greatest empire on earth."

Whatever else it was, the marriage of the two youthful cousins was certainly not made in heaven. It derived, rather, from the explicit calculation of their uncle, King Leopold of Belgium, who was intent on joining his unassuming Coburg nephew to the world power that Victoria would represent as Queen.

Such a plan required careful preparation. If other aspirants for Victoria's hand were to be defeated, Albert had to be readied — emotionally, socially and intellectually — for the competition. Fortunately, the shrewd Baron Stockmar, Leopold's physician and closest adviser, was available for strategic counseling, and together the two fashioned a training program of travel and education designed to produce an irresistible candidate.

Testifying to the success of the regimen, their marriage in 1840 nevertheless posed the question of what a man temperamentally opposed to idle self-indulgence, who would later rebuke one of his mildly profligate sons that "life is composed of duties," would do with himself. The only duties available to him at first were his conjugal ones, which he performed with ardor and effect. He sired nine children in all, and the country breathed more easily when the second proved a son, destined to inherit the crown as King Edward VII.

But being the royal stud was not sufficient for Albert. Denied permission at the start to choose his own household staff or even to look inside the red boxes containing the cabinet papers regularly delivered to the queen, Albert chafed at his uselessness. A spoof court circular documented his plight, announcing the appointment of a "Tooth-brush in Ordinary and a Shaving-pot in Waiting to his Royal Highness."

His intuitive understanding of politics and endless capacity for work guaranteed he would not remain stagnant for long. Beginning by helping Victoria with her paperwork during the torpor of her pregnancies, he gradually absorbed more and more responsibility for her views. He immersed himself in foreign affairs particularly, where his instincts as a natural conciliator helped temper the more confrontational styles of Melbourne and Palmerston.

WEINTRAUB, the author of biographies of Victoria and Disraeli, among others, vividly traces the astonishing trajectory of Albert's career from its start as His Serene Cipher to one of the most influential British public figures of the 19th century. Although simple popularity could never be his — he was too moral, too serious, too intellectual for that, and besides, his English was not good enough to disguise his alien origins — he embraced a prodigious range of interests and achievements.

He was an accomplished artist and musician; he helped end the slave trade and argued for better conditions for British workers; he took the largely ceremonial position of chancellor of Cambridge University and used it as a pulpit to insist on curricular reforms that would bring it into the modern world; he participated in the design of buildings (the royal residences at Balmoral and Osborne), uniforms and the Victoria Cross; he actively supported British arts and industry; he insisted on the need for a well-trained army, and was instrumental in the planning of the Great Exhibition of 1851 and the building of the Crystal Palace to house it.

At the end of his life, sick with what appears to be the misdiagnosed cancer that was soon to kill him, he helped temper the bellicose language of the British foreign minister over an incident that might have pushed Britain into the American Civil War on the South's side.

Above all, Albert succeeded in subordinating his own felt need for recognition to the interests of the monarchy itself.

Victoria never fully recovered from his death in 1861. She mourned for the 40 years she survived him. Long after his death, she continued the practice of having hot water for shaving delivered to his dressing rooms each morning.

The recognition that eluded Albert during his lifetime has been lavishly bestowed since his death. Beginning with Theodore Martin's five-volume appreciation of 1880, presided over by the queen herself, Albert's virtues have been deservedly celebrated by numerous historians and biographers. Weintraub's richly detailed examination constitutes the fullest and most recent reminder that Albert the Good, as he was unfortunately characterized for posterity by the well-meaning Tennyson, was many other things as well.

New York Times Service

BRIDGE

By Alan Truscott

FOUR decades ago, Chien-Hwa Wang, a Chinese theorist, analyzed the clash squeeze, a group of endings previously unknown.

Over the years he has collected 60 interesting deals, covering elimination play, squeezes and coups, in "Practical Bridge Endings." It is available from The Bridge World, 39 West 94th Street, New York, New York, 10025, for $18.95 including mailing.

The author played the diagramed deal four years ago, and in his book named the ending Wang's Squeeze. It displays a pleasing symmetry.

The opening bid of one no-trump was slightly eccentric, but served to avoid an impending rebid problem after a one-diamond opening and a one-spade response. West led a heart against three no-trump, which proved to be an effective attack on the declarer's communications.

NORTH
♠ K 5 4
♡ Q J 10
◇ 7 4
♣ K 7 6 4 3

WEST
♠ J 9 6 3
♡ 9 8 6
◇ J 8 5 2
♣ Q 9

EAST
♠ 10 8 7 2
♡ A 7 3
◇ A 6
♣ A 10 8 2

SOUTH (D)
♠ A Q
♡ K 5 4 2
◇ K Q 10 9 3
♣ J 5

Neither side was vulnerable. The bidding:

South	West	North	East
1 N.T.	Pass	2 N.T.	Pass
3 N.T.	Pass	Pass	Pass

West led the heart nine.

East won with the heart ace and returned the suit. Winning in dummy, South led a diamond and finessed the ten unsuccessfully. West won with the jack and played another heart, won in dummy. Another diamond was won with the ace and East shifted to a spade. South won with the ace and cashed three diamond winners to reach the ending shown at right:

South needed three of the last four tricks. On the heart king, West threw the club nine and dummy the club seven. East threw a spade, and South could please himself whether he cashed the spade queen and led the club five, or led the club five immediately.

If West had thrown a spade instead of a club, the club seven would again have been thrown from dummy. To guard spades, East would have had to throw a club. That would permit South to cash the spade queen and lead a club, scoring the spade king in dummy at the finish.

NORTH
♠ K 5
♡ —
◇ —
♣ K 7

WEST
♠ J 9
♡ —
◇ —
♣ Q 9

EAST
♠ 10 8
♡ —
◇ —
♣ A 10

SOUTH
♠ Q
♡ K
◇ —
♣ J 5

EUROPE

Election Pressure Put On Yugoslav President

Envoys Ask His Help With Bosnian Serbs

The Associated Press

BANJA LUKA, Bosnia-Herzegovina — Taking credit for averting a coup against the Bosnian Serb president and violence against her foes, two international envoys tried Wednesday to persuade leading Serbs to join in local elections this weekend.

Carlos Westendorp of Spain and Jacques Klein of the United States met in Belgrade, the Yugoslav capital, with Slobodan Milosevic — the Yugoslav president and the leading Serbian power broker — and Momcilo Krajisnik, the Serb in Bosnia's joint presidency.

Mr. Klein and Mr. Westendorp were expected to lean heavily on Mr. Milosevic to get Mr. Krajisnik to participate in the elections. Diplomats in Belgrade said Mr. Milosevic faced renewed trade sanctions on Yugoslavia if he did not throw his weight behind the Bosnian Serb president, Biljana Plavsic, and stop backing Mr. Krajisnik and Radovan Karadzic, the former Bosnian Serb president who has been indicted for war crimes.

Mrs. Plavsic, who controls the more populous west and northwest of Bosnian Serb territory, has already agreed to take part in the elections.

On Tuesday, Mr. Krajisnik, the top aide of Mr. Karadzic, spent 12 hours trapped in a hotel in Banja Luka by Plavsic supporters and the police before he left under a hail of rocks, eggs and bottles.

Seventy-two men who came to Banja Luka with him for what he called a rally and what Mr. Klein said was an attempted coup against Mrs. Plavsic were detained, their weapons confiscated and their identities checked to see if they were implicated in war crimes.

The melee in Banja Luka appeared to make it even less likely that the pro-Karadzic Serbs would drop their threat to boycott the local elections, which have been postponed three times.

Recriminations about the attempted coup against Mrs. Plavsic and the detention of Mr. Krajisnik and his aides in Banja Luka flew between the rival camps Wednesday.

Mr. Krajisnik accused Mrs. Plavsic of leading Serbs into catastrophe.

"We had no intention to trigger conflicts," he told the Bosnian Serb Srna news agency. He described his "ordeal" in Banja Luka as a "major drama" orchestrated by Mrs. Plavsic and international officials.

"Plavsic is not making her moves alone, but is plotting against Republika Srpska together with a group of people who are leading our country into catastrophe," he said, referring to the Bosnian Serb substate. "Our country is in danger and we must do everything to save it."

Mrs. Plavsic turned against Mr. Karadzic and Mr. Krajisnik in July, accusing them of impoverishing their people by rejecting the Dayton peace accords. The region was denied international aid as a result, while the two men and their allies, she charged, enriched themselves through crime and corruption.

Banja Luka television, which is controlled by Mrs. Plavsic, said that Mr. Krajisnik and his aides "got what they deserved." They "came to Banja Luka to provoke bloodshed," the station said.

A clearly relieved Mrs. Plavsic said that Mr. Krajisnik's men had planned to seize control of Banja Luka's central police station and then her headquarters.

"Thank God it didn't happen," she said. "For the first time they faced the truth and I hope they had a lot to think about on their way back to Pale," she added, referring to her rivals' headquarters east of Sarajevo.

Anja Niedringhaus/Agence France-Presse

A Bosnian Serb child cheering in Pale as she holds up a poster for Vojislav Seselj, an ultranationalist candidate in elections this weekend.

U.S. Drops Move to Deport 6 in IRA

By Matthew L. Wald
New York Times Service

WASHINGTON — The Clinton administration has suspended deportation proceedings against six veterans of the Irish Republican Army who have settled in the United States, saying that allowing them to stay "could contribute to the peace process."

In addition, the administration decided not to begin formal deportation proceedings against three Irish nationals living in the United States, according to officials familiar with the case.

The announcement of these steps came on the heels of a visit last week to the White House by Gerry Adams, who heads Sinn Fein, the political wing of the IRA.

Mr. Adams apparently pressed for a halt to the deportation proceedings against all nine as evidence of some "confidence-building steps," said Representative Peter King, Republican of New York.

He said the IRA had requested such steps be taken before it would agree to reinstate a cease-fire.

The six against whom proceedings were initiated had been convicted of crimes related to terrorism, including murder, possession of bombs and hijacking.

One, Brian Pearson of Pearl River, New York, was convicted in Federal District Court in Brooklyn in 1982 of attempting to export anti-aircraft Stinger missiles to the IRA.

The others were convicted in Britain in the 1970s.

All had served prison sentences, some as long as 14 years, but none of the nine is presently being sought for prosecution.

Attorney General Janet Reno announced the decision Tuesday in a statement that cited a letter by Secretary of State Madeleine Albright.

Dropping the cases, Mrs. Albright said, would advance the goal of "a lasting, overall settlement in Northern Ireland." She asked that the cases be dropped "without prejudice," which means that they could be raised again.

All but one of the six men are married to American citizens. The sixth is married to a permanent resident.

Representative William J. Pascrell, Democrat of New Jersey, said he had worked hard to help one of the six, Noel Gaynor, who lives in Bloomfield, New Jersey, in Mr. Pascrell's district, with his wife and two children.

Mr. Gaynor served 14 years for murder before settling in New Jersey.

"They made their families here and they fear for their lives going back to Northern Ireland," Mr. Pascrell said.

The others against whom proceedings were dropped were Gabriel Megahey and Robert McErlean, both of New York City, and Gerald McDade, who is said to live in Connecticut.

In addition, the department had been considering bringing deportation proceedings against three New York men, Charles Caulfield, Kevin Krossan and Don Mulholland, but has dropped the idea, according to people familiar with the case.

Russia Signs Pact on Fixing Oil Pipeline In Chechnya

By David Hoffman
Washington Post Service

MOSCOW — Russia and the separatist region of Chechnya have signed their most far-reaching economic pact since the end of their bitter war a year ago, agreeing on terms to repair an oil pipeline through Chechnya that is to inaugurate the westward flow of oil from the Caspian Sea.

The deal, signed here Tuesday, will open the way for the oil to pass to Russia's Black Sea port of Novorossiysk, one of several potential future export routes to the West from the oil fields off the coast of Azerbaijan.

Negotiations had dragged on for months as Chechen leaders sought maximum leverage over Moscow in exchange for repairing the critical pipeline, which runs 148 kilometers (93 miles) through Chechnya, including the capital, Grozny, which was heavily damaged during the war.

Although details of the five documents signed were not made public, it appears that Chechen negotiators, after making huge initial demands for reparations, compromised with Moscow on transport tariffs and funds to rebuild the pipeline.

Boris Nemtsov, a Russian first deputy prime minister who is also minister of fuel and energy, said the deal envisioned sending 200,000 tons of oil through the pipeline by the end of the year. The first of it could begin flowing in October or November.

Eventually, the Caspian Sea oil may reach world markets through several routes, whose backers have been competing fiercely because of the potential benefits to the countries through which the oil will pass.

For war-devastated Chechnya, the money is sorely needed. President Boris Yeltsin sent troops to the region in December 1994 to crush an independence movement; the war left more than 40,000 people dead.

Under the agreement signed Tuesday, Moscow is to commit funds to repair the pipeline and pay Chechnya a tariff for pumping the oil — a fee amounting to $854,000 for this year alone, according to the Interfax news agency. Chechnya agreed to protect repair crews and guard the pipeline, Interfax reported. Mr. Nemtsov said, however, that Russia also would look for routes that bypassed Chechnya.

BRIEFLY

Sale of Pistachios Banned in Belgium

BRUSSELS — Belgium has banned the sale of pistachios after a cancer scare prompted the European Commission to halt imports of the nuts from Iran, the country's public health minister, Marcel Colla, said Wednesday.

"We don't want to take any risks," Mr. Colla said on BRTN television. But he said officials also did not want to be alarmist so that "people who ate pistachios a few days ago won't get ill all of a sudden." The European Commission said Tuesday it had banned imports of pistachios from Iran because of fears of contamination by aflatoxin B1, a highly toxic substance produced by mold.

The ban will be in force until Dec. 15, after which it will be examined monthly. *(Reuters)*

Archives Swapped

MOSCOW — Russia completed Wednesday the return of Liechtenstein's royal family archives, which were taken as booty in World War II, in exchange for a dossier on the execution of the last czar.

The exchange could set a precedent for other countries and individuals that hope to regain valuable documents or art treasures seized by Soviet troops in World War II. Critics say Russia has no right to such property, because looting violates international conventions.

The Red Army seized the Liechtenstein family archives in Austria at the end of the war. *(AP)*

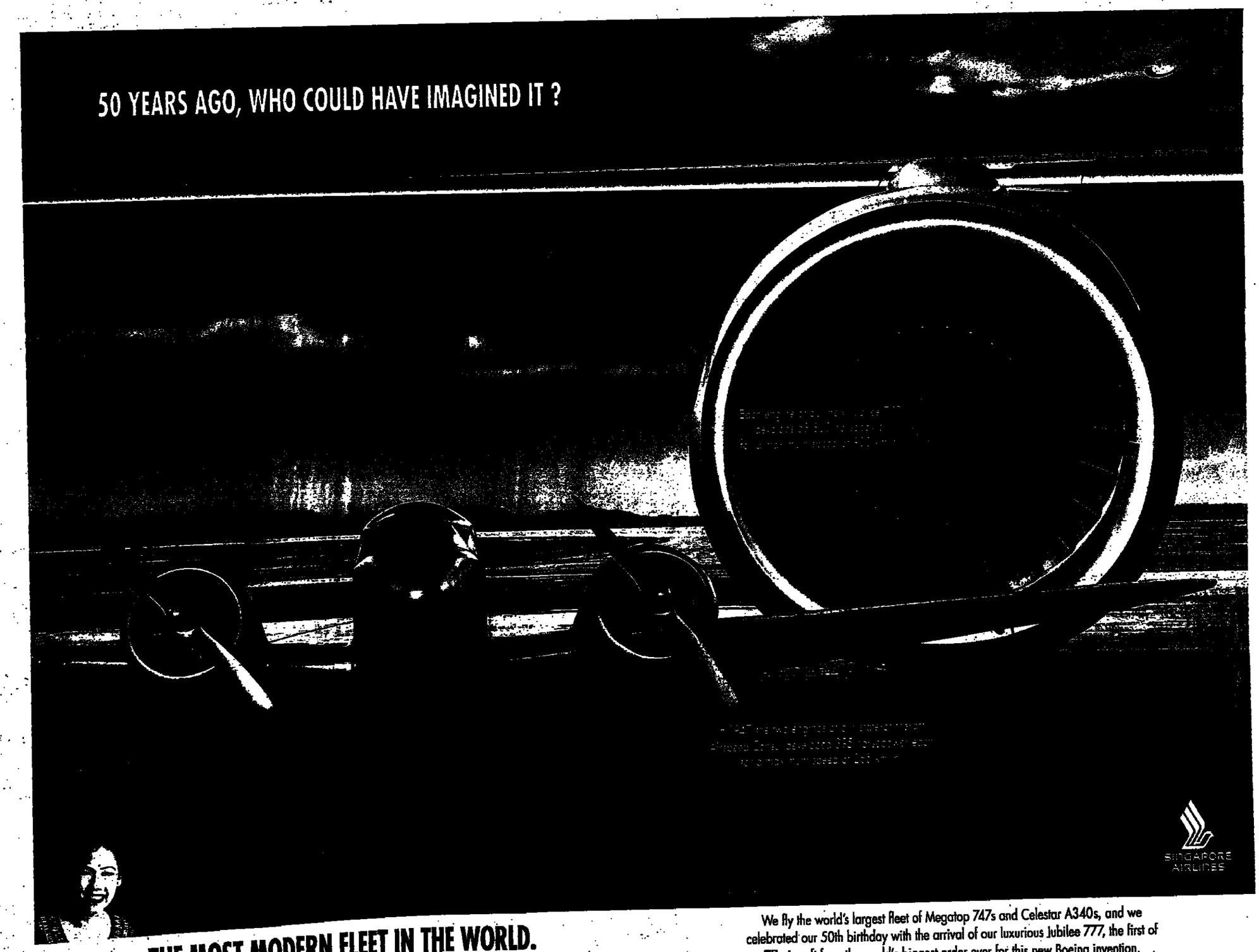
Warning to Prodi

ROME — Italy's hard-line Communist party stepped up its challenge to Premier Romano Prodi on Wednesday, warning that the government could fall over its attempts to reform the welfare state.

"The risk of a government crisis is real," Fausto Bertinotti, leader of the Refounded Communist Party, was quoted as having said.

The party is not formally part of the governing Olive Tree coalition, but Mr. Prodi relies on its votes in the lower house of Parliament, where he lacks a majority.

The dispute centers on pensions in talks on welfare reform. *(AP)*



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SIA6714

Global Warming Pact? U.S. Groups Open War

By Joby Warrick
Washington Post Service

WASHINGTON — Some of the most powerful trade groups in the United States have launched a multimillion-dollar advertising blitz that predicts dire consequences for American consumers under a United Nations' proposal to combat global warming.

Automobile manufacturers, oil companies and farmers were among the backers of the nationwide campaign on radio and cable television and in newspapers. The ads, which began Wednesday, say energy prices could increase more than 20 percent under an international treaty that would slash pollutants that many scientists have linked to rising global temperatures.

"This is truly all pain and no gain for Americans," Bob Stallman, president of the Texas Farm Bureau, said at a news conference unveiling the ads.

The campaign apparently is intended in part as a warning to the Clinton administration, which is participating in talks leading up to an international conference on climate change in December in Kyoto, Japan. The White House recently launched its campaign to build support for a treaty limiting emissions of "greenhouse gas" pollutants that trap heat in the Earth's atmosphere.

The campaign drew immediate criticism from environmentalists and the White House, which labeled the predictions inaccurate scare tactics.

President Bill Clinton, at a White House conference on climate change in July, warned of profound environmental consequences — including droughts, heat waves and rising sea levels that could swamp thousands of square miles of coastal Florida and Louisiana — unless governments worldwide find ways to reduce soaring levels of carbon dioxide and other gases generated by fossil-fuel combustion.

Although the administration has not announced its position on key aspects of the proposed treaty, the ads suggest the United States is being rushed into a bad deal that would prove costly to businesses and consumers. Spokesmen for the industry alliance, dubbed the Global Climate Information Project, said they were particularly worried that the Kyoto agreement would let developing countries off the hook and place U.S. companies at a competitive disadvantage.

"We should avoid the herd mentality that says, 'Sign first, ask questions later,'" said Jerry Jasinowski, president of the National Association of Manufacturers.

Coalition members said they had spent $3 million on the ads so far, and spokesmen said the cost could exceed $13 million over the next few months.

The size of the campaign and the content of the ads also prompted sharp response from other industries that support international action to fight global warming. "Tossing verbal Molotov cocktails over the White House fence isn't necessarily the best way to get a reasonable treaty," said Michael Marvin, executive director of the Business Council for Sustainable Energy, a coalition of alternative energy and technology companies.

Mr. Marvin accused the anti-treaty groups of attempting to frighten consumers with predictions of an enormous jump in energy costs, including a 50-cent-per-gallon hike for gasoline.

Mr. Clinton, in a speech at American University, argued that the United States could reduce emissions by "20 percent tomorrow with technology that is already available at no cost if we just change the way we do things."

"We can grow this economy and do right by the environment," he added.

Walter Dhladhla/Agence France-Presse

Steve Biko's son, Nkosinathi Biko, and his widow, Ntsiki Biko (right), at the Truth Commission hearing Wednesday, where their lawyer fought amnesty for the five former policemen involved in the activist's death.

Shackling Followed Biko Torture

South African Officer Details Activist's Death

The Associated Press

PORT ELIZABETH, South Africa — The anti-apartheid hero Steve Biko was left shackled to a gate for a full day after the police beating that left him with fatal brain injuries, a former policeman testified Wednesday.

But while the police officer, Major Harold Snyman, admitted taking part in the fatal interrogation and an ensuing cover-up, he claimed Mr. Biko's death 20 years ago was an accident.

"It was not our intention to kill him," Major Snyman told the start of one of the most anticipated hearings to date of the Truth and Reconciliation Commission, set up in late 1995 to investigate apartheid-era political crimes and promote reconciliation.

The panel can grant amnesty to people making full confessions of politically motivated crimes. Mr. Biko's family has hired George Bizos, a prominent anti-apartheid lawyer, to oppose amnesty for Major Snyman and four other former officers implicated in the killing.

Torturing interrogation subjects, Mr. Bizos told the hearing, "to the point that they finish up dead, is not a political objective in any civilized society."

Mr. Biko was labeled a terrorist by the apartheid government for preaching that blacks should take pride in their culture and fight to control their country. His death at 30 provoked international outrage and mobilized the anti-apartheid movement at home.

He was regarded as a black leader with new ideas to fill a vacuum left when the African National Congress was banned and its leadership, including the current president, Nelson Mandela, imprisoned.

Major Snyman's amnesty application, which was introduced at the hearing, said Mr. Biko was brought in for questioning in an effort to get enough evidence to charge and imprison him for inciting violence.

"As a leadership figure, he would in this way be neutralized," Major Snyman wrote in his application, allowing police "to normalize the situation in black residential areas."

But the officer said a scuffle had broken out as the interrogation became increasingly confrontational.

"I am not sure who hit him and who got hit," Major Snyman wrote. "We knew of a previous occasion in which Biko had assaulted a member of the police and knocked his teeth out. He was a big and strong man."

He said that as police tried to handcuff Mr. Biko, an officer fell on the activist, sending his head into a wall.

"He fell to the ground," Major Snyman said. "It was clear that the knock on his head had left him dazed and disorientated. It was clear that further interrogation in these circumstances would be fruitless. He was slurring.

"I was not exactly sure that he was really injured. I kept in mind that he might be trying to deceive us in order to escape further interrogation."

The major testified that Mr. Biko had spent at least an entire day after the Sept. 6, 1977, incident in an apparently semi-conscious state, shackled to a grill with his arms and legs spread eagle.

That brought whistles and gasps of shock from the 200 people — almost all of them black — at the Centenary Hall in New Brighton, a black township outside Port Elizabeth.

Major Snyman also admitted that police told an inquest into the death that the interrogation had taken place Sept. 7, a day later, to make it look like they had sought immediate medical assistance.

Mr. Biko died Sept. 12 after being transported 1,200 kilometers (750 miles) to a Pretoria prison from Port Elizabeth in the back of a police pickup truck.

Major Snyman said the cover-up of the death was ordered by the chief of police, Colonel Piet Goosen, who has since died.

"Goosen told us that the death of Steve Biko would be a great embarrassment to the police and the South African government, that it could have a negative impact on the image of South Africa from abroad, and we could lose investments from abroad as a result," he said.

For Peter Jones, who was arrested with Mr. Biko and held for 500 days, the hearing was more of the same from apartheid agents.

"We are expecting a bunch of lies," said Mr. Jones, now managing director of a black investment company in Cape Town. "The people applying for amnesty are pretending to cooperate so they can come off scot-free."

Mir Crew Uses Hot Air to Try to Dry Out Module

The Associated Press

MOSCOW — The Russian-American crew on Mir used hot-air dryers Wednesday to get rid of excess humidity after a computer crash that affected the ventilation system on the space station.

Space officials said the crew was drying out the Priroda module, one of six modules on Mir, but it was not clear whether the job would be completed Wednesday.

Mir's main computer broke down Monday, and that led to a reduced electricity supply in the ventilation system. The air inside the Priroda module then became too humid, officials said.

The crew used special air pipes to pump hot air into Priroda to remove the extra moisture, according to a Mission Control spokeswoman, Vera Medvedkova.

Meanwhile, the Russians on board, Anatoli Solovyov and Pavel Vinogradov, planned to compile a new list of the spacecraft's equipment, and the American astronaut Michael Foale was due to exercise and sow plants as part of his scientific experiments, the spokeswoman said.

In the coming days, the crew will be preparing for the arrival of the U.S. space shuttle Atlantis, which is scheduled to blast off Sept. 26 and bring Mr. Foale's replacement, David Wolf.

Plans are moving ahead for a docking between the American and Russian spacecraft despite the recent string of malfunctions and accidents that have plagued the 11-year-old space station.

Mir's worn-out computer system, which was replaced Tuesday, crashed three times in less than three months.

BRIEFLY

Comoros Leader Orders A State of Emergency

MORONI, Comoros — President Mohamed Taki has declared a state of emergency in the aftermath of a rebuffed military invasion of the secessionist island of Nzwani.

But rebels on the island there remained defiant on Wednesday, demanding Mr. Taki's resignation.

Mr. Taki assumed emergency powers on Tuesday, dismissing his military and civil advisors as well as the government of Prime Minister Ahmed Abdou. *(AP)*

Rwanda Criticizes UN

NAIROBI — Rwanda criticized the UN high commissioner for refugees, Sadako Ogata, on Wednesday and said it was summoning her representative to discuss its move to suspend operations in the Democratic Republic of Congo, the former Zaire.

Emmanuel Ndahiro, senior adviser to the vice president, Paul Kagame, said some UN workers were helping to perpetuate refugee camps in Zaire.

"We are calling the UNHCR representative," Mr. Ndahiro said. "We want him to explain this whole thing, what it means." *(Reuters)*

U.S. Navy Aiding Haiti

MONTROUIS, Haiti — U.S. Navy divers joined United Nations peacekeepers on Wednesday to help pull bodies from a sunken Haitian ferry. But the operation was hampered by the divers' inability to reach many parts of the ship.

Two divers arrived in Montrouis to help Canadians from the peacekeeping force recover those killed when the ferry Pride of Gonave sank Monday. More U.S. Navy divers are due Thursday.

The Canadian divers say they counted fewer than 200 bodies inside the sunken ship — a number far lower than estimates made by officials immediately after the vessel went down off this fishing village.

The divers and other rescuers have recovered 79 bodies. Crews placed the bodies in transparent plastic bags and laid them on a beach for mourners to identify. *(AP)*

Chile Battling Students

SANTIAGO, Chile — Police officers used tear gas and water cannons to scatter university students protesting the upcoming 24th anniversary of the military coup led by General Augusto Pinochet.

Eduardo Morales, rector of the University of Santiago, said that about 20 students had been detained during the clashes on Tuesday. *(AP)*

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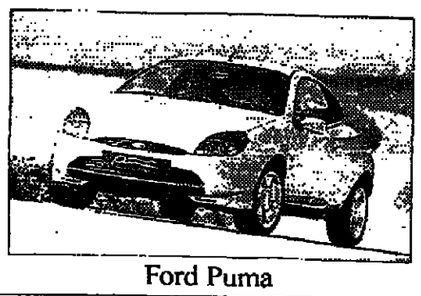

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INTERNATIONAL

Blair Urges Scots to Trust Themselves And Vote 'Yes'

Compiled by Our Staff From Dispatches

EDINBURGH — British government leaders and independence-seeking nationalists on Wednesday urged Scots to trust themselves and vote for a separate Parliament.

Opinion polls, however, indicated that the politicians and press need not have bothered. Scots appeared virtually certain to vote in a referendum Thursday for the new Parliament, marking the biggest wrench from England since 1707 when Scotland merged its Parliament with England's in the Act of Union.

Prime Minister Tony Blair, in an television interview from London, urged Scots "to trust themselves" and vote for "a new and modern settlement for Scotland."

Scottish newspapers, mainly pro-Labour, have almost all swung behind the Parliament campaign, arguing — like the politicians — that the independence issue is something for the future, if it ever happens.

A poll published in the Edinburgh-based Scotsman showed 63 percent in favor of a Scottish Parliament, 25 percent against, 12 percent undecided.

For giving the new body tax-raising powers, however, there was markedly less enthusiasm: 48 percent in favor, 40 percent against, and 12 percent undecided. The error margin was 3 percent either way.

The poll by ICM of 1,800 Scottish voters had a margin of error of three percentage points.

"Stand Up for Scotland," said a banner headline in the tabloid Sun. "Do It for Dad," said the tabloid Daily Record on a front page picturing the three daughters of the late John Smith, Mr. Blair's predecessor as Labour Party leader.

The 129-member body in Edinburgh, which will control most domestic matters, will be able to pass laws and possibly raise taxes, and a less powerful assembly for Wales, formed a key pledge of the platform on which Mr. Blair's Labour Party swept to power in May 1 national elections.

A low voter turnout, or a rejection of the tax-raising powers — a second question on the ballot paper — would be seen as a major rebuff for his government.

The Conservatives, handing out "Think Twice Or Pay The Price" leaflets in Princes Street, Edinburgh's main shopping precinct, appealed to Scotland's nearly 4 million people not to walk into "independence by default."

"You are not talking about some carefully worked out federal structure," said Michael Ancram, the Conservative lawmaker and former government minister spearheading opposition to the Scottish and Welsh assemblies. "You are talking about piecemeal devolution."

The Conservatives, along with some business people worried about higher taxes and groups opposed to weakening the English tie at any price, form a lonely voice.

They argue that the new Parliament will spark English-Scot animosity and lead to independence and the shattering of the United Kingdom.

William Hague, leader of the Conservative Party, which lost all its seats in Scotland in the May election, urged Scots to vote "no."

Calling those opposed to a devolved Scottish Parliament "the true Bravehearts," he said at stake was the whole future of the United Kingdom — England, Scotland, Wales and Northern Ireland.

He also raised fears that Scots would face extra taxation. *(AP, Reuters)*

Ian Waldie/Reuters

A woman flying the Scottish flag in Edinburgh on Wednesday. Scotland votes in a referendum on Thursday.

Sterilizations in France

15,000 Women Were Forced, Report Says

Agence France-Presse

PARIS — Close to 15,000 mentally handicapped women in France have been forcibly sterilized, a weekly magazine reported Wednesday, breaking what has been a taboo here on this delicate issue.

The report in the satirical weekly Charlie Hebdo quoted a surgeon as saying that "hundreds" of colleagues had performed such sterilizations.

"We operate on the instructions of psychiatrists and institutions," he was quoted as saying. "It is not our decision."

The 15,000 women are either institutionalized or receiving treatment on an outpatient basis, the article said.

Nicole Diederich, a researcher at the Health and Medical Research Institute, said the victims of this practice — which she said had been "kept totally quiet" up to now — "*probably number in the thousands.*"

Dr. Bernard Glorion, head of the Order of Doctors group, said the report could not be confirmed because of "lack of data." But he said that without a solid medical reason it was unacceptable to order sterilizations for the mentally handicapped.

Madame Diederich said studies on sterilization in France were rare but that a survey of 260 cases in the Gironde region in southwest France showed that 35 percent of the women involved had been sterilized without their knowledge. "It often happened to young, slightly handicapped women who had emotional or social problems and failures at school," she said.

She said she had tried to alert the authorities to the practice in 1991, but that no action was taken. The French National Ethics Committee also warned against abusive sterilizations, in 1996.

Charlie Hebdo said that the 15,000 women did not include previous generations, or women who immigrated and were sterilized without their knowledge.

Saturn Mission's Deadly Fuel Powers Debate About Risks

By William J. Broad
New York Times Service

NEW YORK — Alan Kohn was the emergency-preparedness operations officer at the Kennedy Space Center when the Galileo spacecraft was launched in 1989 to study Jupiter and when the Ulysses craft was lofted in 1990 to collect information on the Sun.

His job was necessary because both spacecraft run on batteries made of plutonium, a deadly radioactive element. Mr. Kohn planned for disaster. He ordered bulldozers that could bury radioactive debris. He planned how to turn buildings into fallout shelters. He arranged for gas masks, protective suits and stations where cars and people could be cleansed of radioactive dust.

At the launchings, which went smoothly from Florida, he sat at the radiation control center, ready to put his team into action. Now, as a retired safety expert, Mr. Kohn criticizes the National Aeronautics and Space Administration for its scheduled launching of the Cassini mission to Saturn. He asserts that the risks are higher than stated and that an accident involving its plutonium batteries could doom thousands or perhaps millions of people to death by cancer.

The space agency denies that the launching will place the public at great risk. Instead, it says a dangerous mix of ignorance and hyperbole is threatening to halt not only the Cassini mission but also a significant part of the America's space program.

Mr. Kohn, a 30-year NASA veteran, explained his criticism in an interview: "Men and machines are fallible. If you keep launching these things, eventually you're bound to have an accident. It's inevitable. NASA says this whole thing is safe. Nobody can make such a statement. I've seen too many rockets blow up."

Mr. Kohn is part of an anti-nuclear movement that wants to stop the launching of the $3.4 billion Cassini mission, which carries about 72 pounds (33 kilograms) of plutonium — more than ever lofted into space. The Ulysses spacecraft carried 24 pounds of plutonium and Galileo 48 pounds.

The Cassini, under development for eight years, had been scheduled for launching on Oct. 6. But a recent accident on the launching pad damaged the spacecraft's protective cover, beginning rounds of emergency inspections and repairs that will probably delay the start of the mission by a week or more.

Anti-nuclear protesters have seized on the incident as fresh evidence of dangerous fallibility. They say that if they fail to stop Cassini they will hold a major demonstration in Florida just before the spacecraft's launch.

Richard Spehalski, Cassini's program manager, said that the recent accident was "no reflection on safety" and did "not represent anything that could compromise" mission safety. Officials at the Energy Department, which makes the plutonium batteries, also said no possible Cassini accident could pose significant risks to the public.

"Our safety analysis report is two feet thick," said Beverly Cook, program director for radioisotope power systems at the Energy Department. "It's been thoroughly reviewed. There's absolutely no accident sequence that results in huge amounts of plutonium being released."

The gulf between the two sides is significant because plutonium batteries are not likely to go away soon. NASA plans to peer into many dark recesses of the solar system: beneath the deserts of Mars, below the icy surface of the Jovian moon Europa and down at the obscure terrain of Pluto. Sunlight is dim or nonexistent in such places. So the solar cells that produce electricity for most spacecraft are weak or useless, increasing the allure of plutonium.

The batteries of Cassini and other spacecraft are made of plutonium 238 and are known as radioisotope thermoelectric generators. As the plutonium 238 dioxide undergoes radioactive decay, it gives off heat, which is converted into electric power. The spacecraft's three batteries are to generate 675 watts of power when it reaches Saturn in 2004.

Dozens of such generators have been launched into space over the decades to power satellites as well as lunar and planetary spacecraft. Two had accidents: Nimbus-B in 1968 and Apollo 13 in 1970. But the sturdy cases that held the plutonium withstood the blows, as designed, space officials said, and no plutonium was released.

Experts say the Cassini mission has three risky phases: the launching, the orbit around Earth for a booster-rocket firing and the swing past Earth in August 1999 at an altitude of 500 miles. Earth and its gravitational pull are to raise Cassini's speed so the craft can reach Saturn in the solar hinterlands 890 million miles from the Sun.

Experts say this final phase is the most dangerous. Cassini will be moving fast. If control is lost during the Earth flyby, a crash into the atmosphere might scatter some plutonium to the winds.

Fritz Reiss/The Associated Press

HOT ISSUE — Helmut Kohl pausing Wednesday during the Bundestag debate on the budget, while an aide brought water. He asserted that faster economic growth would start to ease joblessnesslater this year.

City Hall Puts Itself On-Line At Kiosks Around New York

New York Times Service

NEW YORK — A change in the way New Yorkers deal with their city's notorious bureaucracy has been quietly spreading across the city's five boroughs, in government buildings and libraries, grocery stores and check-cashing outlets.

Thirty-seven ATM-like machines, installed last year under a city experiment, allow New Yorkers to pay parking tickets and property taxes with a credit card or bank card, check building-inspection records, print application forms for permits, licenses and civil service jobs, and answer a host of questions necessary to ease one's way through the system. All that with no lines and little angst.

"It's like a New York City worker who works 24 hours a day, and it's more friendly," said Gregory Davidson, 33, who was using one of the kiosks Monday at the Mid-Manhattan Library. "There's no attitude."

Across America, state and local governments are experimenting with using interactive kiosks to streamline their bureaucracies. In Texas and Pennsylvania, job seekers can find out about openings for state workers. In Maryland, residents can renew their car registrations. And in Arizona and Utah, people can walk into many courthouses and use a kiosk to file for divorce.

New York City officials say their $2 million experiment is part of a wider effort to make as many services as possible available to computer users, including those for whom a kiosk in a public place is their only chance to use one.

It is also an attempt to reduce the aggravation of doing business with the city, where an entire industry of expediters has evolved to help residents and contractors through the process of getting permits and licenses.

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Cigarettes for Asia

In Hong Kong, hip clothing stores pass out American cigarettes free to their customers. Salem sponsors a "virtual reality" dome, where teenagers attack each other with laser guns. Empty packs of American cigarettes can be redeemed for tickets to movies, discos and concerts.

Hong Kong is one of the battlefronts of the modern-day Opium War. While Britain went to war in the last century to keep its Indian-grown opium streaming into Chinese ports, today American tobacco companies win profits and build addiction throughout Asia, where tobacco consumption is growing at the fastest rate in the world.

Indeed, American cigarette companies have agreed to the proposed domestic tobacco settlement in part because it does not touch them overseas, where profits are soaring and they can boldly target teenagers without fear of lawsuits or powerful critics.

American cigarette exports have tripled since the 1970s, when domestic smoking rates began to fall. Since 1990, sales of Philip Morris cigarettes have risen by 4.7 percent in the United States but 80 percent overseas. Cigarette manufacturers find the Asian market particularly inviting because of its size and the Asian love for tobacco. In Vietnam, for example, 73 percent of men smoke.

In much of Asia, governments hold monopolies or near monopolies on cigarette production. The largest manufacturer in the world, in fact, is the Chinese government. But American companies are moving into Asian markets, and have had substantial help from Washington.

The White House's trade representative and American embassies abroad have pressured countries to open their markets to American cigarettes, often threatening trade restrictions if they do not. Such practices have diminished under the Clinton administration.

Tobacco companies say they are not promoting smoking, just gaining access to an existing market. But the entry of American companies often transforms the cigarette industry in ways that increase consumption.

Unlike government tobacco monopolies, American companies lobby hard against anti-smoking laws. They also advertise, whereas government monopolies advertised little. Before the American cigarette invasion of South Korea in the mid-1980s, the country had banned virtually all tobacco ads. But the trade representative's office demanded and won the right for American companies to advertise in Korean publications. The same thing happened in Taiwan.

Since the vast majority of smokers start before age 20, advertising is largely directed at young people, who are more affluent and rebellious than ever before. Smoking by teenagers and children is soaring all over Asia, especially among girls.

In Hong Kong, where American tobacco blends make up 94 percent of the market, Salem sponsors tennis tournaments featuring the American player Michael Chang, an idol of Hong Kong girls. A Madonna concert from Spain was rebroadcast into Hong Kong as a Salem Madonna concert. Stores sell Camel and Marlboro caps, watches and binoculars.

While the manufacturers deny that they are targeting young people, the merchandise and events they offer appeal mainly to teenagers.

Cigarette advertising is banned from television and radio, but billboards and print ads showing young people having sophisticated fun are practically identical to those in the United States. These ads piggyback on the lure of American pop culture, which represents freedom and excitement for many Asian youth.

It is probably unrealistic to expect that overseas considerations will be added to the proposed domestic tobacco settlement. But Washington can surely remove tobacco from the category of products that get aggressive support for opening foreign markets. It can also finance anti-smoking programs in health organizations overseas, and put the Agency for International Development to work discouraging smoking.

American companies and the American government unleashed sophisticated marketing campaigns that increased smoking in many countries where people do not fully understand its danger. That gives Washington a responsibility to undo the damage.

— THE NEW YORK TIMES.

There Can Be No Peace Process Without Respect

By Edward W. Said

NEW YORK — Secretary of State Madeleine Albright has said that during her current Middle East visit she would pressure the Palestinians to get tougher on terrorism, and also, if possible, suggest to Benjamin Netanyahu that he might do more to abide by the commitments made by his predecessors. But this is tragically to continue down the incredibly misleading path known as the Oslo peace process.

What Palestinian critics of Oslo have against it is not peace but the absence of any real possibility for peace.

What was confected by an extraordinarily weak and unprepared Palestinian delegation and a strong but shortsighted Israeli group that met in secret in the Norwegian capital during the summer of 1993 reflected the disparity between the two sides.

Crippled by a disastrous Gulf War policy, years of exile in Tunisia and anxiety about losing out to a new generation of West Bank and Gaza activists who had spurred the intifada, Yasser Arafat essentially accepted a disadvantageous pact with Israel that under the chimerical rubric of peace essentially continued Israeli control and sovereignty over the lands occupied during the 1967 war.

True, Palestinians were given management over their municipal affairs, and in six towns freedom from direct Israeli military rule.

Yet control over exits and entrances to the Palestinian territories was given to Israel; the settlements would remain; all of Jerusalem was retained by Israel; nothing was said about the end of occupation; Israel alone could decide from where and by how much it would withdraw; the Palestinian economy was made totally dependent on Israel's; military security, water, air rights, foreign policy were to be controlled unilaterally by Israel.

Worst of all, the whole question of Palestinian refugees — those who were driven out of their homeland in 1948 — was left unmentioned.

□

So the peace agreements were signed on the White House lawn, and celebrated as a great breakthrough, which they were not. Thus did the PLO leadership save itself but not its people.

Palestinian income has gone down by half in the four years since Oslo took effect; unemployment has climbed to about 35 percent. Israel withdrew its troops from only 3 percent of the West Bank, and about 60 percent of Gaza. The settlements increased in size. Especially under Yitzhak Rabin and Shimon Peres, expropriations of Palestinian land escalated.

Mr. Arafat's regime — distorted by the little that was offered, exempt from accountability, propped up by Israel and America as essential to maintaining the peace process — produced tyranny, massive corruption and a level of incompetence that scanted the talents of Palestinian men and women excluded because they were too honest.

A mood of desperation and hopelessness set in. Where is this peace that we were promised? How is it that we still cannot move freely in our land? Why are we poorer than we were?

Western liberals must remember that Oslo did not come on a tabula rasa. It came after 26 years of military occupation, and before that 19 years of dispossession, exile, oppression.

If Israel has all along insisted that it is not responsible for what has been visited on the Palestinian people since 1948, then it should explain to us why we, alone of all people, should forget the past, remain uncompensated, our travails unacknowledged, even as all other victims of injustice have the right to reparation and apologies.

□

I have not heard one responsible Palestinian applaud the marketplace bombs. They were stupid, criminal acts that brought disaster on our people.

The media and the Israeli and U.S. governments have insisted that Palestinian terror and violence be stopped. Even the all-purpose Amos Oz has demanded that we decide between peace and violence — as if Israel had already grounded its planes, dismantled Dimona, stopped bombing and occupying southern Lebanon (two 70-year-old Lebanese men were killed by Israeli planes at the time of the marketplace bombings — why is that not violence and terror?) and withdrawn all its troops out of the 97 percent of the West Bank that it still controls, along with the military checkpoints that it has planted between all major Palestinian centers.

Israel and its American supporters have rarely troubled themselves with any of these facts, which Israel is entitled to fabricate or annul on the ground and in the media at its pleasure.

How dare the egregious Mr. Netanyahu and the chorus of his American minions demand that Islamic militants be summarily arrested, and Israeli security be guaranteed? Who does he think he is, addressing Palestinians as his bonded servants, and by what standards of human decency does he dare assume that the hundreds of Palestinians murdered during the intifada, the victims of the Sabra and Shatila massacres (all of them directly the responsibility of Israel), are nothing compared to Israel's "security" needs?

Only a few weeks ago the Israeli justice system ruled unilaterally that victims of Israel's military during the intifada were not entitled to pursue their claims against the state, since it was a "war" situation.

Who do those people think they are, that they can make light of or ignore what they have done to us and still wrap themselves in the mantle of "the survivors." Is there no term limit, is there no sense of respect for the victims' victims, is there no barrier to what Israel can do while it continues to demand the privileges of the innocent?

□

The only peace worth its name is an exchange of land for peace on the basis of rough parity between the two sides.

And there can be no peace without some genuine attempt on the part of Israel and its powerful supporters to take a step toward the people they have wronged, a step they must take in humility and reconciliation.

Very few of us want back everything we lost in 1948, but we do want some acknowledgment of what we lost and of Israel's role in that mass dispossession, which so many of Israel's new historians have themselves excavated with courage and assiduity.

Many Palestinians do not want to return to their land, but they ask why it is that any Jew anywhere has the theoretical right of return, whereas we have none at all?

□

The sad fact is that both the United States and Israel are so out of touch with Arab actualities, so enamored of clichés about Islamic terror and Arab radicalism and anti-Semitism, that they seem to have missed the fact that Arabs want peace, that Palestinians want also to lead a decent life of independence and democracy as much as the common Israeli or American.

Why then lay up stores of resentment and hatred that will surely delay peace for Israelis and Arabs for years more?

Terror bombing is terrible, and it cannot be condoned. But Israel's constant demands for security conceal a deep insecurity about Israel's "original sin," the fact that there was always another people in Palestine, and that every village, kibbutz, settlement, city and town had an Arab history also.

Moshe Dayan used to admit it publicly. This generation of leaders hasn't his honesty. What sort of hypocrisy is it to rail against Islamic fundamentalism and to say nothing of Jewish fundamentalism that dehumanizes every non-Jew and relies on biblical promises that go back two millennia?

□

To mouth phrases about getting the negotiations going in such a context is to say that only State Department planners and Israeli policymakers are capable of defining history and reality. The air needs to be cleared, language shorn of its worn-out phrases, honesty and simple fairness given a chance.

Yes, Palestinians want peace, but not at any price and not on extremist terms the way Netanyahu and company define it, with millions of conditions concealing an iron, unbending rejection of the desire for Palestinian equality.

People respond to a call for justice and the end of fear and oppression, not to the lumbering heaviness of something called a "peace process" in which Israel has all the advantages (plus a nuclear arsenal), and in which it demands that Palestinians be there only to give it "security."

At present, the atmosphere is too inflamed by lies, too corrupted by illusions and self-perpetuating incapacities to allow us all to move forward. But a start needs to be made somewhere and somehow; blame needs to be apportioned properly, and responsibility assigned proportionately.

What we need now — and certainly the United States can take the step — is a restatement of the basic premise that there is peace only when land is given back, and that the goal is independence and statehood for two peoples in Palestine. Start from that, and it might be possible to move toward the goal in as many steps as are necessary.

The writer, a professor of literature at Columbia University, contributed this comment to the International Herald Tribune. Parts of this article appeared in a longer article in the Sept. 5 issue of Le Monde (Paris).

Holocaust Debt

Germany has made a great effort to face its history squarely since World War II. It has taught its children about the horrors of Nazism, to guard against a repetition of past evil, and it has paid tens of billions of dollars to survivors of the Holocaust. It has apologized without reservation. Why then is the country faltering on the question of pensions for Jewish Holocaust survivors in the former Soviet bloc?

Unlike their counterparts in Israel, the United States and other parts of the West, most of these aged survivors receive nothing, and many now live in terrible circumstances. They have been called the double victims, although triple is more like it: first of concentration camps, then of Communist tyranny. In the West, a camp survivor with damaged health typically may receive a pension of $270 per month; in Lithuania or Ukraine, a similar survivor gets none.

The German government has put forward various arguments to explain this. Communist East Germany was supposed to take care of Eastern Jews. After the fall of the Soviet Union, Germany made state-to-state payments to some former Communist nations that were meant to satisfy all claims. Any new claims will be too open-ended.

But East Germany did not take care of Eastern Jews. The state-to-state payments were open to abuse, and Jewish survivors — often with little clout still in their homelands — received little.

And the number of such victims is small — 15,000 to 60,000, depending on definition — and getting smaller all the time. When the American Jewish Committee began pressing the case a few years ago, there were 120 [illegible] survivors in Latvia. Now there are 83.

Some advocates of these survivors attempt to bolster the case by pointing to Germany's readiness to pay pensions to Nazi veterans, including those living in Latvia and other Eastern nations. This strikes us as a separate issue. The Holocaust survivors' case stands on its own. It is hard to believe that Germany, having understood so well the importance of facing its past, won't understand this, too.

— THE WASHINGTON POST.

Other Comment

Teresa of the Poor

Mother Teresa was among the most ecumenical figures that [India] or any other country has produced. The simple white, blue-bordered sari that she and her co-workers donned as their habit was symbolic of an all-enfolding eclecticism which has always been the quintessence of true Indianness.

Together with the Taj Mahal and Mahatma Gandhi, she was in danger of being declared an institutional monument, an instant emblem of India to whom a token genuflection was enough to save the trouble and bother of a more arduous commitment. Symbolic obeisance to Mother Teresa obviated the need for further responsibility for the wretchedest of the earth, dying on the mean streets of Calcutta or anywhere else under the unsheltering sky.

Made by default into the world's conscience keeper and moral garbage collector, Mother Teresa's final challenge was to overcome her own legend. She did this by employing a practical, workaday humility befitting her down-to-earth peasant stock.

Lack of fuss was central to Mother Teresa's style of functioning. That, and a rarely displayed but robust sense of humor, saved her from the sin of self-conscious piety. As she recounted once to Prince Michael of Greece, she dreamt she had died and gone to heaven, where Saint Peter told her: "Go back to earth, there are no slums up here."

There might not be any slums in heaven. But perhaps Mother Teresa would pardon us a touch of sentimentality — which she never permitted herself — in suggesting that there may be a little less heaven on this despairing earth after her departure.

— The Times of India (New Delhi).

China in Transition: Last Congress for a Lame-Duck Party?

By David Shambaugh

WASHINGTON — The 15th Congress of the Chinese Communist Party begins in Beijing this Friday. The conclave, which meets once every five years, will be an important indicator of China's future direction.

Party congresses in China are usually carefully scripted; much is worked out well in advance, and little is left to chance. Not so this time. Much uncertainty exists about the congress's personnel appointments and policy positions.

Remarkably little has leaked out through the normally porous Hong Kong press. China watchers are thus reading tea leaves.

Some believe that there is substantial discord in the ruling elite, as indicated by the protracted three-week sojourn of the leadership at the beachside resort of Beidaihe in August. Another alleged sign of discord is the maneuvering and lobbying evident in the party-controlled press over various political and economic issues. Some intellectuals have even spoken out boldly in favor of Western-style democracy and have not been incarcerated.

Other specialists believe that President Jiang Zemin is in control and that the leadership is moving forward in unison.

What indicators should analysts keep their eyes on in the week ahead?

• Will Mr. Jiang succeed in having his allies from Shanghai promoted to key positions? Will Wu Bangguo reach the Politburo Standing Committee, remain as vice prime minister and be given an important policy portfolio? Will Huang Ju and Zeng Qinghong become full Politburo members, and will Mr. Zeng take over the party propaganda department?

• Will Generals Liu Huaqing, 81, and Zhang Zhen, 83, finally and fully retire? Both have apparently resisted retirement, but have groomed successors. General Zhang Wannian is slated to become military supremo, but watch to see if Defense Minister Chi Hoatian makes the Standing Committee of the Politburo. If he does not, it is another strike against Mr. Jiang.

Also watch for the composition of the new Central Military Commission, to be unveiled after the congress, particularly whether Deng Xiaoping's trusted aide General Wang Ruilin remains on it. In recent years, General Wang has been vitally important to Mr. Jiang (who serves as chairman of the military commission as well as being president and party chief). The general's removal could be another blow to Mr. Jiang.

• Watch to see if Qiao Shi, chairman of the National People's Congress, steps down and, if so, whether he retires. There have been many reports in the last year of rivalry and disagreements between him and Mr. Jiang. If Mr. Qiao goes, Mr. Jiang has won an important victory.

And if Mr. Qiao is replaced as congress chairman by outgoing Prime Minister Li Peng, this is a clear signal that Mr. Jiang is not interested in further political or legal reform.

• Watch to see if the position of chairman of the Chinese Communist Party is recreated. The post was abolished by Mr. Deng after Mao Zedong's death, but Mr. Jiang has reportedly been seeking to resurrect it for himself.

• The military composition of the Central Committee is expected to rise to 25 percent, the highest percentage since the 11th party congress in 1977, reflecting the vital importance of the armed forces to the party's internal and external goals. The new membership will be decidedly technocratic and middle-aged, with ideologues and elders sidelined.

• Read Mr. Jiang's "work report" carefully, and watch to see if it is publicly released at the start or close of the congress. If the latter, it is a sign of continuing debate.

See how he finesses the issue of the relevance of Marxism-Leninism to today's China and world, and thereby deflects the continuing challenges he faces from the left. A key measure of this will be the section on how to define the Marxist hallmark of the public ownership of production — what percentage of the economy remains in the state sector. Mr. Jiang's opponents have made this a gauge of whether the party has abandoned socialism.

• See how Mr. Jiang and the party handle the sticky issue of state-owned enterprise reform.

• Watch for any movement toward, or mention of, political reform. The "D word" (democracy) will likely be used in Mr. Jiang's work report (as in "China is building a modern, socialist, democratic, powerful nation"), but be surprised if the congress mentions any specific steps in the direction of political liberalization.

• Watch to see how much Mr. Jiang cloaks himself in Mr. Deng's legacy. Is he secure enough to break free of Mr. Deng's dictates, or does he need to invoke them?

□

The congress will usher in the post-Deng era and bring to power a new generation of leaders who have a bold vision for economic reform but tremble at the thought of political reform.

As one of only four governing Communist parties left in the world, the Chinese party is anachronistic. Given the forces and frustrations unleashed in China — social, criminal, economic, political, environmental, nationalistic — the Communists will be lucky to hold a 16th or 17th congress five and 10 years hence.

With their legitimacy badly eroded, China's leaders know well that their central task is simply to hold on to power. Yet that power is slipping inexorably with every passing day.

The writer is professor of political science and international affairs and director of the Sigur Center of Asian Studies at George Washington University. He contributed this to the International Herald Tribune.

Prospects Fade for a Big Trade Deal

By Jim Hoagland

WASHINGTON — A mutual retreat by Beijing and Washington from hopes of a major trade agreement leaves in doubt what President Bill Clinton can accomplish for U.S. interests when he hosts President Jiang Zemin in Washington next month.

Domestic politics accounts as much as technical trade problems for the reluctance of each side to take any chances in the now stalled negotiations on Chinese membership in the World Trade Organization.

As final preparations for the summit are made, it becomes clear that China will gain the vital legitimacy that a warm welcome in Washington will provide for Mr. Jiang's rule, without giving up much on human rights, weapons proliferation or Taiwan.

Beijing appears to have decided that WTO membership now is more trouble domestically than it is worth. It offered nothing of substance on trade, or on other key issues, to Mr. Clinton's national security adviser, Samuel Berger, during his August trip to China, according to accounts circulating within the administration.

The White House has also progressively backed away from the hopes once held by Mr. Clinton and Mr. Berger that the summit would clear the way for a WTO agreement. The Chinese reluctance to offer any incentives has made a trade accord too big a political risk for Mr. Clinton and particularly for Vice President Al Gore's presidential ambitions.

"This is too sensitive an issue for his future for Gore not to have a big hand in it," says a senior administration official. Adds a middle-level player in U.S.-Chinese relations: "All the pressure from the White House has disappeared. The Chinese have played hard to get on this issue, and we have decided it is not worth the trouble it would take."

Mr. Berger met with Mr. Jiang and with Prime Minister Li Peng at the northern beach resort of Beidaihe hoping to nail down substantive details and some political concessions for the summit, scheduled for the third week in October. But the internal accounts suggest that the Chinese concentrated on the red carpet and protocol details.

Mr. Jiang has made clear to China's foreign policy bureaucracy that his trip should match in publicity and signs of hospitality Jimmy Carter's extravagant welcome in 1979 for Deng Xiaoping, who visited a Houston rodeo and captivated American audiences with his pithy witticisms.

Such public hoopla would qualify the summit as "historic" for Jiang & Co., who do not want serious discussions on human rights abuses in China or on the conflicts over Taiwan or on sending arms to Iran that have troubled U.S.-Chinese relations since 1989.

"We won't really know if the Chinese are ready to do any business at the summit until Sept. 23," when Secretary of State Madeleine Albright meets the Chinese foreign minister at the United Nations in New York, says one U.S. official.

Recent high-level U.S. and Japanese visitors to China believe that Mr. Jiang decided some months ago to take the WTO negotiations off the table as a U.S.-Chinese issue.

China has been seeking U.S. agreement for lengthy and relatively painless transition arrangements for WTO membership, which requires an end to government subsidies for exporting industries and an opening up of the domestic market to imports. Joining the WTO would also require China to allow its trading partners to monitor these changes.

These steps would require closing many of China's state-owned enterprises and firing tens of millions of workers. Mr. Ziang is not ready to make that kind of deal without big help from the United States.

But a deal that might boost China's already burgeoning trade surplus with America would be a political calamity for Mr. Clinton and Mr. Gore three years from now. Historic is fine, but power is better, both sides seem to have decided.

The Washington Post.

Herald International Tribune

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38. Internet address: http://www.iht.com E-Mail: iht@iht.com

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Honduras 'Sold'

NEW YORK — An agreement has been come to between the Valentine Syndicate and the Republic of Honduras by which the syndicate practically buys out the country. Honduras surrenders all the functions of government to the syndicate, while the syndicate assumes the responsibility for the debt to England of $35,000,000, settles or compounds other debts, completes the railway from Puerto Cortez to the Pacific Coast, and colonizes and builds up the country generally.

1922: Kipling Angry

NEW YORK — In an interview published in the New York "World," Rudyard Kipling bitterly assails the United States for coming into the war two years late and quitting early. Kipling is especially bitter because the United States withdrew as soon as the Armistice was signed, "making a good thing out of the war by lending money at 8 per cent." The paper, disapproving of Kipling's assertions, says: "This capacity for hatred, based on an ignorance of the facts, is the supreme enemy of civilisation to-day. If the Kiplings prevail in all countries, white civilisation is doomed."

1947: Aid for Europe

WASHINGTON — Secretary of State George C. Marshall said that Europe must have some temporary aid this year which only Congress could authorize. This was a strong intimation that he believed a special session of Congress to be necessary. His statement came on the heels of an urgent new plea from London that the United States should assume a large share of Britain's occupation costs in Germany. He declined to estimate how much aid may be required.

OPINION/LETTERS

The Arab War on Israel: 50 Years and Counting

By A. M. Rosenthal

NEW YORK — The "peace process" between Arabs and Israelis has been going on not for the four years since Oslo but for the half-century since the founding of Israel. Almost all the while it has been the Israelis who have been offering peace and the Arabs who have been answering with acts of war.

But every time an Arab bomb goes off in an Israeli marketplace or bus the world reacts as if it were the first. How terrible; active "talks" must resume, Israel must make more concessions.

All the Arab bombs that exploded through the decades, all the Arab armies that invaded Israel again and again, all the anti-Jew hate propaganda that has befouled the Mideast for decades, the years of Arab attempts to strangle Israel economically, all are mentioned barely or not at all, as if history had no meaning. It does.

To change history in the Mideast, America must first acknowledge the reality of the half-century Arab war against Israel and the overriding importance of demonstrating its end. Otherwise the visit of Secretary of State Madeleine Albright will at best be another short pause before the Arabs resume their strategy of violence against the nation and people of Israel.

When the UN recognized the Israeli state, the Jews had accepted — and the Arabs had rejected — a partition plan that would have given Palestinians an independent nation. The Israelis had offered peace within their dangerously narrowed confines. But Arab armies attacked and Jordan annexed what the world calls the West Bank and Jewish history calls Judea and Samaria. The Jordanians took over the cherished center of Jerusalem, banned all Jews not killed or driven out.

Israelis still dreamt peace. They did not attempt to take the West Bank until 1967, when Arab nations were stupid enough to attack again, and lost it all to Israel, and more. But when one, just one, Arab leader was willing to make peace in 1977, Israel returned the huge Sinai to Egypt. For this Anwar Sadat received the bullets of Egyptian military assassins. Israel received Egypt's idea of peace — nastiness and insult.

Yet for most of the years since, Israelis, official and private, kept holding out peace offers — this new boundary line or that, the sharing of water and electric power, a joint economic rose garden.

From Arabs came more acts of war — shelling, direct or by proxy from Lebanon, world economic boycott, ceaseless vilification at the UN. Unable to defeat the army of Israel, Arabs struck with hundreds of acts of terrorism.

In 1993 Yitzhak Rabin decided to reverse himself, return most of the West Bank and create the foundations of a Palestinian state for Yasser Arafat. Terrorism did not end, not then and not after Benjamin Netanyahu was elected.

Mr. Netanyahu accepted what was written in Oslo, including the return of Hebron, which Labor did not dare carry out. But he would not accept Palestinian demands not agreed to at Oslo — the end of Jewish building in Jerusalem, the return of all the West Bank and a Palestinian capital in Jerusalem. Terrorism went on.

Meanwhile, Iranians and Iraqis slaughtered each other, Syria occupied Lebanon, Iraq started the Gulf War and Arab despots and fundamentalists murdered their brethren. None of these wars and atrocities had a thing to do with Israel. But the myth continued that if only Israelis would make enough concessions to Palestinians peace would come to the Mideast.

Perhaps the "peace talks" can be jacked up if the United States tries hard enough. But any new start-up would have to be conditional on security for Israel, this time proven in advance by Mr. Arafat's disarming terrorists, blocking their funds, arresting their leaders. I doubt he has any intention of doing that, certainly not to make it stick. The picture of him kissing the Hamas leader was meant to show that Mr. Arafat and the major terrorist group stood as one. It certainly convinced me.

My own belief is that no lasting peace between Israel and Palestinians will come about until *enough* Arab governments are based on something better than bigotry and despotism.

Arab governments that cannot make peace with their people and their Arab neighbors are not likely to make peace with Israel, for a half-century their target to defile, their dream to destroy.

The New York Times.

Big Nanny Is Listening, So Choose Your Words

By Nat Hentoff

WASHINGTON — Some years ago, as the Robespierre-like "political correctness" movement was taking root in colleges across the United States, my son, Tom, was the editor of the student newspaper at Wesleyan.

He was being pressured by his staff to mandate that the term "freshperson" be used hence-

MEANWHILE

forth to identify all incoming students. "Freshman" would be tossed into the dustbin of sexist history. "Freshwoman" would also somehow be discriminatory.

Tom, even at the risk of defenestration, would not be moved, insisting that language should not be politicized.

Ideological distortions of language have not, of course, been limited to colleges. I have watched the movement's tendrils creep into mainstream newspapers and magazines as well as the epiphanies of politicians. But I never expected to see a guide to "correct" language as a special section in an otherwise reputable dictionary.

The newest edition of Random House Webster's College Dictionary boasts more new words than any of its competitors. To their credit, however, none of its competitors has a chapter like Random House's "Avoiding Insensitive and Offensive Language."

Ungrateful, I do not want a nanny dictionary earnestly instructing me on how to avoid being insensitive and/or offensive. If I want to be offensive, I know how to do that, and I don't need a dictionary dedicated to making me feel guilty for not meeting its standard of propriety.

Jesse Sheidlower, a senior editor of Random House Reference & Information Publishing, tells me his new progeny "is nothing like a 'speech code,' but rather a straightforward, frank and, we hope, uncontroversial examination of types of language that can unintentionally offend."

But this secular catechism also tells us that we should avoid "emphasizing the differences between people." Consider the authors over the centuries who have sinned grievously in this regard.

We must also, says the policy-making nanny, think of language as a way "toward rectifying the unequal social status between one group and another."

Among the guidelines for gender-neutral language, "businessman" is, of course, prohibited, and the leading approved alternative is "businessperson." "Businesswoman" won't do.

Included is my favorite neutral replacement for "chairman." To show "heightened sensitivity," you are advised to use "chair." Then what do you call that on which the "chair" is sitting?

Moving to ways of not offending entire countries, it is no longer sensitive to say that a country is "underdeveloped." Lest that description hurt the nation's feelings, you have to refer to it as a "developing" country, even if it isn't.

One used to be able to call someone "elderly," because that's what he or she was. But the *Random House* nanny tells us to say "older person" or "senior citizen."

So devoted are these docents of sensitivity that they deplore writing "Arab man denies assault charge." The properly inoffensive way of putting that is "Man denies assault charge." Why not "human being denies assault charge?" Thereby men as a whole would not be offended.

Also to be avoided in public are "sweetie, dear, dearie, honey." Even among people who like each other? Years ago, I was in a room with a civil rights lawyer who had gone through some of the fiercest battles on the southern front. He also had represented women in gender discrimination cases. That day, in talking to a young woman, a lawyer, he used the term "honey." There was no sexual meaning to the word.

The young woman was furious and verbally horsewhipped him for a long time. He kept shaking his head at what that one word had cost him. Words certainly can wound, but quickness to be offended by any language that might be "inappropriate" does chill the way we live with each other.

But the language nannies will continue to multiply. Think of what they have done to "Consider the lilies, how they grow; they neither toil nor spin." In the Contemporary English Version, that biblical passage has been made more accessible to us all: "Look how the wildflowers grow. They don't work hard to make their clothes."

Or "What is man, that thou art mindful of him?" That King James passage has become, in the New Century version, "But why are people important to you?"

Or, as T. S. Eliot said — in a line that could apply to the tamers of language — "We had the experience but missed the meaning."

The Washington Post.

LETTERS TO THE EDITOR

Two Women

To appreciate and honor Mother Teresa's legacy, it is not necessary to disparage national development efforts and "monumental anti-poverty programs administered by bureaucrats," as Pranay Gupte puts it (*"Fighting Against Poverty, One Hovel at a Time," Opinion, Sept. 9*).

By the same token, why the skepticism about those who are driven to serve the poor for the "salvation" of their own souls? (*"But Less Concern for Bodies Than for Souls?" Opinion, Sept. 9*).

The world needs the courage, faith and compassion of individuals as well as development organizations and their programs to fight poverty and underdevelopment.

MANZOOR AHMED.
Tokyo.

The writer is director of the Unicef office in Japan.

There are countless troubles in the world today. Had Mother Teresa and Diana lived longer, the world would still have these problems. Heaping praise upon these two women in no way helps the world, but following their examples does.

Both women emphasized personal contact with "real" people in a world that is becoming increasingly dehumanized. Both have been praised for their ability to understand and empathize with people from all walks of life.

If seems the most meaningful tribute to Mother Teresa and Diana would be to carry on their work. By listening to others with open hearts and minds, these two women showed that people can make the world a better place, one person at a time.

LOU PRIVEN.
Berlin.

In contrasting the public reactions to the deaths of Diana, Princess of Wales, and Mother Teresa, I find a sad comment on our times.

Mother Teresa toiled for nearly 50 years in squalid conditions and actually did something concrete. Diana's death was certainly a tragedy, but to make her a saint or an icon is wholly unwarranted and confirms the declining state of society's values.

We look up to entertainers — and let's not fool ourselves, Diana's value to the tabloids was for entertainment purposes — rather than to the hardworking teachers, nurses and others who work every day in unglamorous settings for the public good.

HOWARD M. LIEBMAN.
Brussels.

Democratic Ex-Chairman Defends Contacts With Officials to Aid Donors

By David E. Rosenbaum
New York Times Service

WASHINGTON — Donald Fowler, the Democratic Party chairman during last year's election campaign, has acknowledged publicly that he intervened with administration officials on behalf of some of the party's largest supporters.

Mr. Fowler, the most prominent Democrat to testify thus far in the hearings on campaign-finance practices, insisted Tuesday that he had acted properly, even though the party's official legal guidelines for fund raising seem to put intervention with government agencies out of bounds.

"I believe it fully appropriate for the head of a national party to secure a meeting for a supporter with an administration official and to advocate a worthy cause," Mr. Fowler declared.

But Republican senators took sharp issue with that view. They were especially critical of two instances in which documents show that Mr. Fowler contacted the CIA at the behest of Roger Tamraz, an oil financier with a questionable reputation who donated $300,000 to various Democratic Party entities.

Mr. Fowler's approach to the CIA was first disclosed last spring, but Tuesday was the first time the corroborating documents became public.

Yet Mr. Fowler said repeatedly that he had no recollection of having called the intelligence agency to press the case of Mr. Tamraz, who was hoping for support from the administration for his plan to build an oil pipeline across Asia from the Caspian Sea to the Mediterranean.

Senator Don Nickles, Republican of Oklahoma, said he found Mr. Fowler's failure to remember incomprehensible.

The investigators on the Senate Governmental Affairs Committee addressed two other instances in which Mr. Fowler intervened to help a large contributor.

In one case, he called the Interior Department on behalf of Indian tribes who wanted to block a casino that other tribes wanted to build in Wisconsin.

In the other case, he arranged for a Hong Kong businessman, Eric Hotung, to meet and have his picture taken with a top official of the National Security Council. Mr. Hotung's wife, Patricia, a U.S. citizen, donated $100,000 to the party.

No evidence was offered Tuesday that government policy was changed because of Mr. Fowler's intervention.

It is probably not against the law for someone like Mr. Fowler to intervene with agencies on behalf of a donor, but the Democratic National Committee's guidelines warn staff members against it in strong and explicit language.

Senator Susan Collins, Maine Republican, asked Mr. Fowler how he could reconcile his actions with the guidelines.

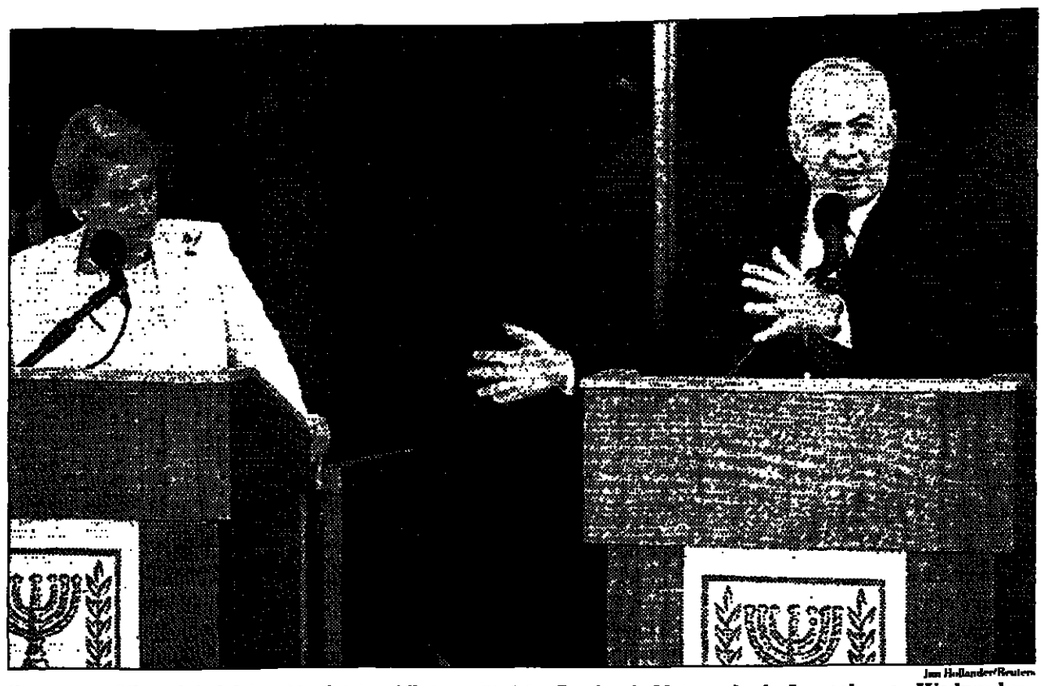
"I am not a staff member of the Democratic National Committee," he responded. "I was a chair of the Democratic National Committee, and there is a clear difference there."

■ Gore's Phone Calls Defended

Vice President Al Gore was not told that some donations he solicited went into a Democratic Party account that prompted a Justice Department review into the need for an independent counsel, a party official testified, The Associated Press reported Wednesday from Washington.

Joseph Sandler, general counsel of the Democratic National Committee, said that Mr. Gore "would have no reason whatsoever to be aware the DNC — after the fact and without the vice president's knowledge" put money in the account.

Testifying at a Senate hearing, Mr. Sandler also said calls made by Mr. Gore from his White House office "were entirely legal and appropriate."



Jim Hollander/Reuters

Secretary of State Madeleine Albright and Prime Minister Benjamin Netanyahu in Jerusalem on Wednesday.

ISRAEL: *Albright Opens Effort to Revive Mideast Peace Talks*

Continued from Page 1

proceed in tandem with — not as a substitute for — full implementation of the Oslo agreement.

Mrs. Albright obtained no specific commitments of any kind from Mr. Netanyahu that she could offer to Mr. Arafat when they meet in the West Bank city of Ramallah on Thursday, officials said.

Americans said they recognized that Mrs. Albright was in a bit of a delicate position here because she was arguing two seemingly contradictory propositions. One states that Mr. Arafat will be unwilling or unable to sustain a concerted fight against terrorism unless Mr. Netanyahu gives him some of the political and economic sweeteners called for in the peace agreement.

The other states that Mr. Arafat and his Palestinian Authority have an obligation to wage an all-out campaign against terrorism and Israel doesn't owe them anything to induce them to undertake it.

Mr. Netanyahu derided reports of large-scale arrests by Palestinian law enforcement officials, saying that "unfortunately much of this is intended for show." He said Israel wanted an all-out effort "to catch the sardines, not the sharks" by breaking up groups of potential terrorists and arresting their leaders. A U.S. official said Mrs. Albright shared the Israeli view that Mr. Arafat had not done enough to crush terrorism. Asked to define "enough," he replied: "We'll know it when we see it."

But he added that it would include steps taken voluntarily instead of under pressure and the volunteering of information "before we already have it."

Wednesday evening, Mrs. Albright made her first visit to Yad Vashem, the Holocaust memorial and museum.

For Mrs. Albright, who discovered only this year that her grandparents were Jews who perished at the hands of the Nazis, the ceremony in which she rekindled Yad Vashem's eternal flame was not only a statement of respect for Israel but part of her personal quest to lean more about the fate of her relatives.

Last week she went to the Czech Republic, where she was born, and visited the Terezin concentration camp where her grandparents died.

U.K. to Hold Inquest for Diana After Paris Inquiry

By Tom Buerkle
International Herald Tribune

LONDON — Britain will conduct an inquest into the deaths of Diana, Princess of Wales, and Dodi al Fayed, but only after French authorities establish the cause of the automobile crash that killed them and conclude any criminal proceedings in the case, British officials said Wednesday.

Those procedures will delay for some months or more the release of findings of postmortem examinations that were conducted at a mortuary in the Fulham area of southwest London on Aug. 31, immediately after the bodies of Diana and her companion were returned, separately, to Britain, officials said.

The inquest is supposed to determine the cause of death and could shed light on the condition of Diana and Mr. al Fayed on the night of the accident.

"Until we have a full report, there is no chance of an inquest," said Keith Brown of the Surrey County Coroner's Office, referring to the official French investigation of the accident. The office, headed by the coroner, Michael Burgess, is handling the inquest into the death of Mr. al Fayed because he was buried in the county.

The Surrey Coroner's Office has issued only a one-sentence statement saying that "an examination was carried out by a Home Office pathologist." Officials declined to say whether a full autopsy was conducted.

Mr. Brown said the office had received no report of any postmortem examination by French authorities.

Dr. John Burton, the coroner to Queen Elizabeth II, is in charge of the inquest into Diana's death. Neither he nor Buckingham Palace has released any information about the investigation, except to say that an inquest will be held in due course. Other sources, however, have said that an examination was conducted on Diana's body.

Although officials could not say when the inquest would be held, sources at the Home Office, the government department that oversees the country's coroners, indicated that it would take place at St. James's Palace, the royal palace where Diana's body rested before her funeral.

Under English law, the coroner must hold an inquest into any overseas death of a Briton that does not result from natural causes. But the law gives the coroner considerable discretion over the extent of examination and the inquest proceedings.

An inquest must be held in public, for example, but the coroner can keep certain details private by holding some of the proceedings in camera.

An inquest is intended to determine the place, time and cause of death. It does not attempt to assess blame, something that is left to the courts.

The two coroners have asked the London Metropolitan Police to liaise with French authorities to keep them abreast of the crash investigation, officials said. A police spokeswoman said that a British police officer was sent to Paris on Wednesday, and that two officers traveled to Paris last week to follow the French investigation.

Senate Votes to Reverse Tax 'Windfall' for Tobacco Companies

The Associated Press

WASHINGTON — In another assault on tobacco companies, the Senate voted overwhelmingly Wednesday to block cigarette makers from reducing the price of a national settlement by the amount of a new tax increase — up to $50 billion. The vote was 95 to 3.

The provision was slipped quietly into the tax-cut legislation that Congress passed and President Bill Clinton signed last month.

It said that the industry could limit the cost of a proposed $368.5 billion settlement by deducting the amount of revenue that is expected to be raised from a gradual 15-cent-a-pack increase in the federal cigarette tax.

Senator Dick Durbin, Democrat of Illinois, called the provision "a $50 billion windfall" for the industry. "The taxpayers should not be underwriting the cost of the settlement," said Senator Durbin, who failed to strip the provision from the bill because of Congress's desire to recess for August.

Tobacco companies have agreed to pay $368.5 billion over 25 years to settle dozens of state lawsuits against them in exchange for legal protection and restrictions on government regulation of nicotine.

ALGERIA: *Power Struggle Hinted*

Continued from Page 1

leading official of the Islamic Salvation Front, Mohammed Dneidni, who said Tuesday that the government was directly responsible for the recent slaughter and warned that there would be a military coup "in the coming days."

Western officials said there had been negotiations in recent weeks between the government and the military wing of the Islamic Salvation Front and that hard-liners in the government had opposed these talks. The rising tension in the government reflected these differences.

These tensions have been the object of increasingly heated debate in Algiers this week, diplomats said.

The attacks on Sidi Rais and Beni Messous, carried out by hooded men arriving on trucks, both took place close to military barracks or police stations. In neither case was there any sign of an attempted intervention by the authorities.

Many observers have concluded that hard-line members of the government have been prepared to tolerate, or even initiate, the attacks.

They may have been carried out by "patriotic groups" — civilians armed by the government with the avowed aim of bolstering the stand against Islamic guerrillas.

The hard-liners' purpose, diplomats said, was to discredit those inclined toward negotiation at a time when the release from prison on July 15 of a leader of the Islamic Salvation Front, Abassi Madani, has already provoked tensions in the government.

In a sign of those tensions, Mr. Madani was placed under house arrest in Algiers last week, less than two month after his release.

"To release him and then arrest him again suggests incoherence at best and perhaps extreme tension within the government," said a Western official.

Mr. Madani's mistake, apparently, was to respond to an appeal late last month from the secretary-general of the United Nations, Kofi Annan, for "tolerance and dialogue" in Algeria.

Through his son, Abbas Salman, Mr. Madani said he was ready to make "make an appeal for an end to bloodshed and the opening of a serious dialogue."

The Algerian government, wary of any foreign intervention after 132 years of French colonial rule and a war for independence that took more than a million lives, immediately rejected Mr. Annan's appeal as a form of intrusion.

Mr. Madani was told to remain silent and was confined to his home.

"With the release of Madani, it seemed that the moderates in the government had the upper hand," said Benjamin Stora, a French historian and expert on Algeria.

"What these massacres and his renewed imprisonment seem to suggest is that the hard-liners are fighting back."

Broadly, Mr. Zeroual is supported by General Mohammed Betchine, a former head of military security, in a readiness at least to contemplate talks with those close to the Islamic Salvation Front and its military wing, the Army of Islamic Salvation.

Against them stands General Mohammed Lamari, the chief of the general staff of the army and a man determined to destroy the Islamic movement.

Few analysts say they believe that Mr. Zeroual's hold on power is threatened, at least for the moment. But if the attacks and the random slaughter continue to move toward the center of Algiers, and their scale continues to increase, the political situation could become extremely volatile, diplomats said.

There is an alternative theory to explain the massacres.

It is that the Armed Islamic Group, the most hard-line of Algeria's insurgency movements, has decided on a full-scale attack with whatever is left of its resources in an attempt to sabotage local elections planned for Oct. 23 and to demonstrate that Mr. Madani's release alone could not bring peace to Algeria.

But this second theory, diplomats said, does not explain why government authorities remained so passive about attacks adjacent to the capital and to military barracks, unless morale is low in the army and dissent is widespread.

John Stillwell/The Associated Press

Fabio Piras, who was fined for stealing the teddy bear, was punched in the face by an assailant as he left the court.

Tourist Fined for Stealing Teddy Bear Gift to Diana

The Associated Press

LONDON — A Sardinian tourist who stole a teddy bear from among the floral tributes to Diana, Princess of Wales, was fined Wednesday for what the court called a "particularly mean and unpleasant theft."

Fabio Piras, 20, pleaded guilty at Bow Street Magistrates Court. He said he took the white teddy bear and an attached condolence card — which had been left by a child — from St. James's Palace on Tuesday as a present for his girlfriend. Mr. Piras was very sorry and ashamed, his lawyer said.

"The court takes a serious view of this matter," Magistrate Lorraine Morgan told Mr. Piras. She initially sentenced him to seven days in an institution for young offenders but after giving "further thought to the sentence" imposed a fine of £100 ($160), with the seven-day jail term to be reinstated if the fine is not paid in seven days.

ENVOY: *Return to Vietnam*

Continued from Page 1

Chop and Nguyen Danh Xinh, are still alive, and they were the ones Mr. Peterson came here to see.

The media circus trailed Mr. Peterson through the rice straw-strewn village lanes to Mr. Chop's house. Mr. Chop, whose name translates as Catch, has himself become something of a celebrity after Mr. Peterson's ambassadorial nomination. The two men grasped hands and Mr. Peterson was invited inside, where they exchanged stories about the capture and drank tea.

Mr. Peterson confessed how frightened he had been when captured. "I sensed there was a very good chance I would not survive that night," he said. Indeed, as the bruised and battered Mr. Peterson lay in the dark in a village hall, it was Mr. Chop and his colleagues who became his unlikely guardians and warned off angry villagers.

Mr. Peterson was clearly moved by the experience of his return, but he had little time for reflection. The crowd of journalists and officials moved on to Mr. Chop's wartime militia friend, Mr. Xinh, who was waiting in the yard of his house. Mr. Xinh embraced the new ambassador but seemed overwhelmed by the attention. More tea was drunk and more stories were told.

Mr. Peterson, who was tortured, endlessly interrogated and held in solitary confinement during his time as a prisoner of war, has tried to put the past behind him. "I didn't want to make a career out of being a prisoner of war," he said the day before the visit to An Doai.

Mr. Peterson retired from the Air Force in 1981 after 26 years of service, decorated with the Purple Heart, the Silver Star and the Legion of Merit. He turned his hand to the computer business, and from 1991 to 1995 was a U.S. House member from Florida. He played a key role in President Clinton's 1995 decision to normalize relations with Vietnam.

In March 1996, Mr. Clinton nominated Mr. Peterson to be the first ambassador to a reunified Vietnam, but he did not arrive in Hanoi until May 9 this year.

Mr. Peterson emphasized that his task in Vietnam is to focus on the future. "I come totally committed to improving our relations," he said. "There's no hidden agenda."

DIANA: *With Mix of Drugs and Alcohol, Driver 'Should Never' Have Been at Wheel*

Continued from Page 1

body was slumped halfway out of the car with her arms resting on the back of the seat in front of her.

"She was very agitated, half knocked-out but conscious," the doctor told the newspaper. "All around her, there were photographers machine-gunning her. They were just a few centimeters from her face."

Diana groaned, struggled a bit and murmured, "Oh my God," Le Parisien reported, and then said: "Leave me alone. Leave me alone." The princess died three and a half hours after the crash in a Paris hospital.

The Ritz declined to comment Wednesday on the results of Mr. Paul's blood-alcohol test, saying it would have nothing to say until the investigation was complete. Last week, Mohamed al Fayed, Dodi al Fayed's father and owner of the Ritz, released hotel security tapes that showed Mr. Paul entering the hotel after he was called back to work Saturday evening and walking down the hall. In the brief moments he appears on tape, he is not visibly impaired.

An expert said Wednesday that a chronic alcoholic would be skilled at hiding the effects of alcohol, yet would be extremely impaired behind the wheel of a car. Ralph Hingson, chairman of the social and behavioral sciences department of Boston University's School of Public Health, said the range of alcohol consumption needed to reach the 1.75 level in Mr. Paul's blood would be eight to nine drinks on an empty stomach, more if he had eaten.

"A person with that level of blood alcohol is typically found in fatally injured drivers in auto-related crashes," Mr. Hingson said. "A person at that level has no business being behind the wheel."

Two magistrates are investigating the crash, for which nine photographers and a motorcycle driver have been placed under investigation for involuntary homicide and failing to aid the victims.

The patient instructions for Prozac here say: "This drug can modify attention and reaction capabilities. This should be kept in mind when driving vehicles and using machinery." The instructions for Tiapridal, a brand-name drug containing tiapride, say simply: "Abstain from alcoholic beverages during the course of treatment."

TIMOR: *Letter to Indonesian Leader Probes for Solution to Long-Running Rebellion*

Continued from Page 1

hailed as an important historical bequest to humanity."

The former Australian foreign minister, Gareth Evans, who signed the letter, said in an interview from London that it was a "well intentioned effort to encourage President Suharto to rethink his position on East Timor, which is obviously still causing Indonesia a great deal of pain in its international relations."

Diplomats said Wednesday that Mr. Mandela's active involvement since July in trying to help mediate a settlement between Indonesia, Portugal and East Timorese factions was apparently taking place with Mr. Suharto's blessing.

They said that the outlines of a possible solution emerged last month when Portuguese television carried an interview with Konis Santana, the leader of guerrillas in East Timor. Mr. Santana indicated that instead of continuing to demand independence, his group might accept autonomy, in the way Puerto Rico is linked to the United States.

But Mr. Alatas said Wednesday that granting special autonomous region status to East Timor was not possible, Reuters reported from Jakarta. Because the government already is moving toward ending autonomous status for Aceh and Yogyakarta, he said, "the government believes it will be inappropriate and counterproductive to give special autonomous region status to East Timor."

He added, however, "We are willing to give them autonomous rights without crossing the line into a special autonomous region."

Analysts said that Indonesia, the world's fourth most populous nation, is concerned that if it grants a Puerto Rico-like status to East Timor, other parts of the sprawling Indonesian archipelago would demand similar treatment.

Although Portugal abandoned East Timor after Indonesian forces invaded it in 1975 to crush a unilateral declaration of independence by Fretilin, the Revolutionary Front for an Independent East Timor, Lisbon still regards the area as part of its sovereign territory, and the United Nations recognizes Portugal as the administering power in East Timor.

Indonesian officials said that Mr. Suharto, who is scheduled to visit South Africa in November for talks with Mr. Mandela, was reluctant to consider an early release for Mr. Gusmao, at least until there is further progress toward a settlement. Mr. Gusmao is serving a 20-year sentence, reduced from life.

Analysts said that the major blockage in the UN talks has been the insistence of Portugal and the East Timorese resistance that an act of self-determination under UN supervision must be held in the territory, with independence the most likely outcome.

Jakarta insists that East Timorese opted for integration with Indonesia in an act of self-determination in 1976 and that its incorporation as Indonesia's 27th province is not negotiable.

Mr. Santana, the East Timorese guerrilla leader, appeared to offer a way around this deadlock.

"We take the view that any solution which gives the people of East Timor the right to exercise self-determination is acceptable," he said. "Puerto Rico forms a viable working model."

The Caribbean island has commonwealth status which allows it almost complete self-government. Only foreign relations and defense remain under U.S. federal government control.

CALCUTTA: *India Prepares for the Funeral of Mother Teresa*

Continued from Page 1

papers that this will ensure a continuing stream of visitors.

The Missionaries of Charity, which made the decision not to bury Mother Teresa until eight days after her death, faces daily questions about the state of the body resting in the torpor of Calcutta in a church with open doors. At least twice, the church has been closed for further embalming work.

The Business Standard, a Calcutta financial newspaper, reported this week that the Carrier air-conditioning company had broken all records in installing 60 tons of what it described as "gargantuan" commercial-size air conditioners in St. Thomas Church over the weekend to cool the nave in which Mother Teresa's body lies in a glass case.

Over the last 24 hours, these air conditioners have been buttressed with fans.

On Thursday, as foreign dignitaries begin to arrive, the Indian Army plans to take control of the funeral arrangements, and will drape the body in the Indian flag, over the modest wooden coffin with silver trim that was used to bear her body to St. Thomas Church on the grounds of Loreto Convent.

It is still very unclear exactly who is or is not coming from foreign capitals, although the U.S. Consulate in Calcutta says it is confident that Hillary Rodham Clinton will be among them.

Air traffic controllers at the Calcutta airport say that they are not sure they can handle the rush of aircraft, according to newspapers.

The funeral of Mother Teresa will take place in an indoor stadium (now being redecorated) that is named for Subhas Chandra Bose, an Indian nationalist who flirted with Fascism during World War II.

The government-run press agency, the Press Trust of India, published a long, unattributed anecdote: a dispatch listing more than a dozen reasons why Mother Teresa was more like Mahatma Gandhi than any one else in Indian history.

"People reposed their faith in both as they were in the dress of millions and accepted poverty by choice," the news agency declared. "One is the mother of the people, the other the father of the nation."

HEALTH/SCIENCE

TOMORROW: LEISURE

How to Handle Teens: Blueprint for Parents

Family Ties Crucial, Study Finds

By Susan Gilbert
New York Times Service

NEW YORK — There is no shortage of efforts in homes, schools and communities to discourage teenagers from taking drugs, smoking, drinking or having sex. The question is: What really works? One answer, from a major study of adolescents, is that families are more important than previously had been thought, perhaps as important as peers.

The portion of the study's data that has been analyzed so far did not look at peer pressure, but the findings call into question the idea that peer relationships almost completely eclipse family relationships in their influence over teenagers' behavior, said Dr. Robert William Blum, one of the study's researchers and the director of the Adolescent Health Program at the University of Minnesota in Minneapolis. The primacy of peer relationships has been a widely held concept among professionals since the 1960s.

"There's been a pretty significant myth that peer groups are important and parents are not," Dr. Blum said. "We've focused so tremendously on peer pressure and instituted so many things to deal with peer pressure. And what this study is saying is that family environment matters."

The National Longitudinal Study on Adolescent Health, a survey of roughly 90,000 children, some of them 12 but a vast majority teenagers, is the largest, most comprehensive study ever conducted on adolescent behavior in the United States. It will take a decade to analyze all the data; first results were published Wednesday in The Journal of the American Medical Association.

"These findings offer the parents of America a blueprint for what works in protecting their kids from harm," said Dr. J. Richard Udry, the chief investigator and a sociologist at the Carolina Population Center of the University of North Carolina in Chapel Hill.

The most significant finding is that the teenagers who reported feeling close to their families were the least likely to engage in any of the risky behaviors studied, which included smoking marijuana or cigarettes, drinking or having sex. Nearly as important were high expectations from the parents for their teenagers' school performance. To a lesser degree, having a parent home at important times of day, like after school, at dinner and at bedtime, was also associated with less risky behavior.

In addition, the study identified school characteristics that were protective. Whether the school was public, parochial or private mattered less than whether the students felt that their teachers cared about them and treated them fairly.

In an accompanying editorial, Dr. Jonathan Klein, a pediatrician at the University of Rochester School of Medicine and Dentistry who specializes in adolescent medicine, wrote that many of the results confirmed what other research had found, like the benefits of a close ties at school and at home.

The survey suggests that many preventive measures used by schools and communities are misdirected, Dr. Blum said. "Most of the rules and regulations that schools institute, like suspending students for smoking on school grounds, don't seem to have a significant impact," he said. "We invest heavily in rule development, but that's not where the action is. The action is in adults' connecting with kids."

The study began in 1995 and was conducted in three phases. In the first phase, about 90,000 students from grades 7 through 12 at 145 schools answered questionnaires about themselves. In the second phase, interviews were conducted with about 20,000 of those students and their parents in the students' homes. In the third phase, the home interviews with the teenagers were repeated a year later.

THE results published Wednesday are based on 12,118 of the initial in-home interviews. On one level, the results are a report card on behavior. In the survey, 25 percent of the students said they were current smokers, 11 percent said they had smoked marijuana at least once in the past month, 17 percent reported having had alcohol more than once a month and 3 percent said they had attempted suicide in the past year. In addition, 16 percent of the 7th and 8th graders and 48 percent of those in grades 9 through 12 said they had engaged in sex.

The researchers sought to identify particular characteristics of the families, schools or students that seemed to protect against or promote risky behavior. The results were controlled for demographic characteristics like sex, race and socioeconomic status.

Certain factors correlated with lower risks in specific areas. For example, a teenager who had been a crime victim was more likely to be associated with violent behavior. And living in a house without easy access to alcohol, drugs, cigarettes or guns was associated with a lower likelihood of drinking, taking drugs, smoking or using guns.

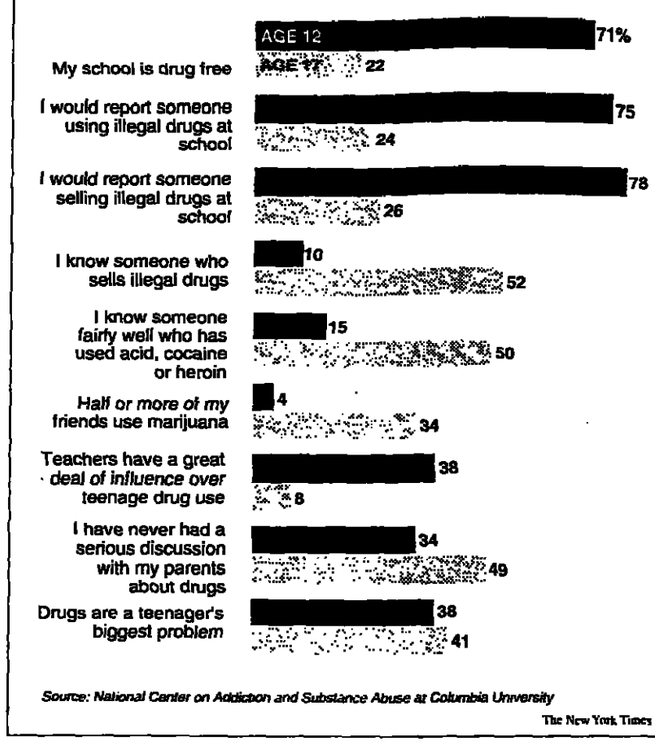
But the only factor that was linked with a lower risk across the board was a close-knit family, the study found. Emotional closeness proved more significant than the amount of time that parents spent with their teenagers at home, calling into question a prevalent view among experts that parents can make a big difference by being home at important times of day, like after school, Dr. Blum said. Being home at such times was associated with a lower incidence of some behaviors, like smoking cigarettes or marijuana and, only among those in 9th to 12 grade, less frequent alcohol use.

"What this study showed is that it is emotional availability far more than physical presence that makes the difference," Dr. Blum said. "You need to give your kids the message that when they need to talk to you, you're available, even if it's by phone, and that they matter."

SURVEY

Teenagers and Drugs

A nationwide Columbia University study asked 1,157 adolescents aged 12 to 17 questions about drugs. A sampling of some answers.



Source: National Center on Addiction and Substance Abuse at Columbia University

The New York Times

A Humble Herb As Rival to Prozac

Germans Prefer Plant to Drug

By Edmund L. Andrews
New York Times Service

FRANKFURT — It is a lush green plant with bright yellow flowers and a homely name: Saint-John's-wort in English and Johanniskraut in German.

For centuries people in many countries used it to heal wounds and it found wide use in Germany as a tea that could soothe nerves and relieve melancholy.

Doctors studied it and wrote about it and some gave it to their patients. But with the rise of modern pharmaceuticals in the 20th century it fell into disuse.

Now, though, the ancient remedy has suddenly vaulted to international celebrity. A barrage of new clinical studies report that true to the folklore, Saint-John's-wort provides measurable relief to people with mild and moderate depression without the side effects of a drug like Prozac, which currently dominates the roughly $6 billion worldwide market for antidepressants.

To be sure, pharmacologists caution that there are still important gaps in knowledge about the herb. There have yet to be any long-term clinical studies, so there is no information on the herb's effectiveness as a "maintenance" treatment. Nor is there much data on the herb's effectiveness against severe depression, or on the ideal dosage levels. The herb also has at least one known side effect: a tendency to make skin more vulnerable to sunburn.

Nevertheless, in Germany, where most of the new research has been conducted, high-strength preparations of Saint-John's-wort have become by far the most popular anti-depressants on the market. Available in grocery stores and pharmacies, the drug now outsells the nearest competitor, Prozac, by 4 to 1.

That, in turn, is fueling a surge of scientific interest worldwide, including in the United States. New clinical studies and articles on Saint-John's-wort appear almost monthly. One book has been published in the United States this year and at least one more is on the way. People trade information about the herb on more than a dozen Web sites. And mainstream psychiatrists are beginning to recommend Saint-John's-wort for patients who do not like the standard drugs.

Unlike common anti-depressants, which can only be prescribed by doctors and must be tested for safety and efficacy before they are approved by the U.S. Food and Drug Administration, herbal remedies are not required to undergo such testing. Nor are makers allowed to claim specific medical benefits on the label. Nonetheless, doctors may recommend that their patients take herbal remedies.

"I started prescribing it about nine months ago, and I have had one success story after another," said Dr. Norman Rosenthal, a psychiatrist and clinical researcher in Rockville, Maryland, who is now writing a book on the herb. "It is an effective substance in a number of people."

The wide and growing use of Saint-John's-wort, or Hypericum perforatum, has been a considerable surprise to mainstream physicians and pharmacologists, who have long been skeptical of herbal remedies. Indeed, it was only after more potent new preparations of the herb began to soar in popularity in Germany that many of the new clinical studies were even begun.

"As pharmacologists, we are basically against herbal medicines because they are always a mixture of ingredients that can change from year to year, like good wine and bad wine," said Dr. Walter Mueller, head of the department of pharmacology at the University of Frankfurt and a leading clinical researcher on Saint-John's-wort.

"But the reality overcame us," Dr. Mueller said. "Patients wanted to treat themselves with hypericum extract and we realized that we needed to understand it better."

One such patient is Edith Matzner, a 68-year-old retiree in the east German city of Chemnitz, who found herself falling into depression while her husband underwent cancer surgery four years ago. Like many Germans, she was reluctant to take conventional drugs, worrying about the effect of synthetic chemicals she did not understand. But then a trusted neighbor suggested that she try Saint-John's-wort and she began drinking tea made from it two or three times a day.

"The effect was clear after 10 days," Mrs. Matzner said. "The fear that everything good was disappearing stopped after 10 days, and I could look forward with a completely positive attitude and devote my strength to supporting my husband."

ELKE BAER-RUDOLF, a cosmetician in Berlin, says she has been taking Saint-John's extract regularly for years to alleviate what had been persistent stress and anxiety. "My doctor once suggested that I take Valium, but I said no because I don't like to take synthetic drugs," she said. Her doctor then suggested the herbal preparation, which appealed to her. "It immediately reduces my restlessness and nervousness," she said.

Most people here take Saint-John's-wort three times a day in the form of a high-strength pill that contains about 300 milligrams of extract. These pills, first introduced in 1992 by a small company in Berlin called Licht Wer Pharma, greatly increased the effects of the herb and set off a big jump in its use. Since 1992, sales of hypericum products in Germany have more than doubled to about $71 million this year. Hypericum's share of the German market for anti-depressants climbed from 16.4 percent in 1992 to 27.3 percent in 1997, Licht Wer estimates.

Experts in both Germany and the United States say that Licht Wer played a central role in the rebirth of Saint-John's-wort. First, said Dr. Mueller, the new high-dose preparations were a big improvement over the traditional teas and oils. Beyond that, Licht Wer waged an aggressive campaign to establish the herb's scientific credibility by commissioning rigorous studies at independent universities and laboratories.

Biologically, Adolescents Need to Sleep Late

By Rick Weiss
Washington Post Service

WASHINGTON — Aarthi Belani, 17, still shudders when she recalls dragging herself out of bed each morning during her junior year of high school two years ago in Edina, Minnesota. She would set her alarm clock for 6:30, the latest possible time that would allow her to shower and run off to school in the cold and dark with no time for breakfast and her hair still wet.

School started at 7:20, a common opening time for high schools in the United States. It felt like the middle of the night to Ms. Belani and her classmates. "It was an ungodly hour to be studying chemistry or something," she said. "In first period, 75 percent of the kids would have their heads down on their desk at one time or another."

Now a growing body of research suggests that Ms. Belani's fatigue and that of her classmates was the predictable outcome of a school schedule insensitive to teenage biology. Adolescents in their mid- and late teens, it turns out, have a physiological need for extra sleep compared with younger teens, especially in the morning hours. Yet adolescents typically get less sleep as they mature, in part because most high schools start an hour or so earlier than junior-high schools.

The new findings may be relevant to younger children, too. Research suggests that many behavioral problems in elementary and junior high school children, including some of the growing number of diagnoses of attention deficit hyperactivity disorder, are in part a result of increasing sleep deprivation.

"The main effects of insufficient sleep at these ages are behavioral and emotional changes," said Dr. Ronald E. Dahl, director of the child and adolescent sleep laboratory at the University of Pittsburgh Medical Center. "It's important for parents to realize this, because they can be unaware that their kids are not getting sufficient sleep."

The discovery that adolescents have a biological need to sleep a little later in the morning was a surprise to Dr. Mary Carskadon, a Brown University sleep researcher who spearheaded early studies of the phenomenon in the 1980s while she was at Stanford.

"The conventional wisdom was, 'The older you get, the less sleep you need,'" said Dr. Carskadon, who directs the E.P. Bradley Hospital Sleep Research Laboratory in Providence, Rhode Island.

Her studies of children 10 to 17 who were allowed to get as much sleep as they needed defied that wisdom by showing no decline in sleep requirements with age. Given the chance to sleep as much as they wanted, teens slept an average of nine and a quarter hours.

At first, Dr. Carskadon and her colleagues assumed their findings reflected psychological or sociological aspects of adolescence, rather than a biological need for more sleep. Teens, after all, have many reasons to stay up late.

However, Dr. Carskadon said, "recently we've found that the biology of the system is also pushing them later."

SPECIFICALLY, Dr. Carskadon and her colleagues have found that as adolescents mature, their biological clocks undergo a hormonal "phase shift" that pushes their preprogrammed period of wakefulness about an hour later than it was in their early teens. The shift is due to a delay in the timing of a nightly squirt of the hormone melatonin from the pineal gland, deep inside the brain.

Melatonin, which induces sleepiness, helps set the body's circadian pacemaker, or biological clock. For reasons that remain unclear for now, it is secreted at about 9:30 P.M. in young adolescents but at about 10:30 in older teens.

That change not only delays the onset of sleep, it also pushes back by an hour or so the various phases of the coming night's sleep. And if the wake-up hour is not also pushed about an hour later, then a key phase of the sleep cycle is truncated: the final hour of dreaming (also known as REM, or rapid eye movement) sleep, which researchers have identified as important to getting the feeling of a good night's rest.

"A lot of people say, 'Just put them to bed an hour earlier,' but it doesn't work that way," said Dr. Kyla Wahlstrom, associate director of the University of Minnesota's Center for Applied Research in Educational Improvement. "Circadian rhythms don't adjust like that."

Further Signs of Change

GLOBAL MEAN TEMPERATURE

The atmosphere has warmed by about 1 degree Fahrenheit in the 20th century, according to the Intergovernmental Panel on Climate Change.

PRECIPITATION PATTERNS

Intense rainstorms and snowstorms have become about 10 percent more frequent in the United States and southern Canada in the 20th century, government scientists say.

SEA LEVEL RISE

The global sea level has risen by up to 10 inches in the last 100 years, and much of the rise may be related to the increase in global mean temperature.

FREQUENCY OF WINTER CYCLONES

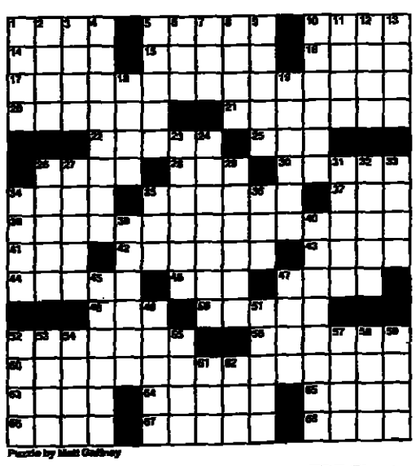
The number of intense cyclone events per winter has been on the upswing in recent years.

The New York Times

CROSSWORD

ACROSS
1 Grade school door sign
5 Chesapeake catch
10 Son of Judah
14 Indian tribe
15 Magnificent
16 Scent detection device
17 What's the point of annoying Leno's sheep?
20 60-Across, in other words
21 Served
22 Beverage cart locale
25 Intention
26 Planetary paths
28 "—— will throw thee from my care . . .": Shak.
30 "Endymion" poet
34 Happy post-accident statement
35 U.S. ally in the American Revolution
37 Best Actor nominee of 1992
38 Singers Starr and Kiki look at each other
41 Author LeShan
42 Lowest A, usually
43 London's —— of Court
44 Kind of disk
46 Is for two
47 Nutritionist's amts.
48 Rough position?
50 U.S. foe of 1898
52 38-Across, in other words
56 17-Across, in other words
60 Fashion magazine is indebted to a pop group
63 Hammer part
64 Bury
65 Suffix with disk
66 Williams and Knight
67 Duma votes
68 Hardy soul?

DOWN
1 New Year's event
2 Emperor after Galba
3 Fad item of '61
4 Blows
5 Cliff sights
6 Musical notes
7 Information
8 Tijuana locale
9 Toil (away)
10 Like some kicks
11 Coward of note
12 "—— forgive those who trespass . . ."
13 *Sine qua non*
18 Protection: Var.
19 Pinstriper
23 One of the Bobbitts
24 *Sites of some* chalk deposits
26 Brazilian writer Jorge
27 Flush variety
29 Shoe section
31 Indianapolis's Market Square
32 Oft-rebellious group
33 Act saucy
34 Alibi —— (excuse makers)
39 *Memo* letters
36 Baseball's Ron
39 Physicist Fermi
40 Failed to comprehend
45 1986 sci-fi hit
47 Confirmation, e.g.
49 Buzz Aldrin's real first name
51 Australia's —— Rock
52 Preserved
53 Bauhaus artist
54 ——'Oléron (island off 35-Across)
55 Disallow
57 Ballet jump
58 Super Bowl III champs
59 Applications
61 Part of many *Québec names*
62 "Wanna ——?"



Puzzle by Matt Gaffney

© New York Times/Edited by Will Shortz

Solution to Puzzle of Sept. 10

C	A	B	S		C	U	R	I	A		V	E	R	A
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A	D	V	A	N	C	E	P	L	A	N	N	I	N	G
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D	Y	N	E		A	S	T	O	R		S	E	T	S

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How Urgent Is the Climate Issue?

By William K. Stevens
New York Times Service

NEW YORK — With the nations of the world counting down to a Dec. 10 deadline for negotiating cuts in emissions of heat-trapping greenhouse gases that many scientists say are altering the Earth's climate, a fundamental question continues to pervade the debate:

Just how urgent is the problem of climate change?

The problem has often been perceived as lying off in the dim future — a century away, say, since that is the time scale on which most analysis of the question has been based. It can be very hard to get excited about something that seems so remote. "We see the train coming," President Bill Clinton said not long ago, "but most ordinary Americans in their day-to-day lives can't hear the whistle blowing."

Mainstream scientists say that the whistle is getting louder all the time, that many signs of a changing climate are already evident. Heavy rainstorms have become more common in the United States, making damaging floods more likely. Other parts of the world have also experienced increases in precipitation in this century. And while the trend's association with global warming is not yet firmly nailed down, mainstream scientists say it is precisely, and unsurprisingly, what would be expected as the Earth's atmosphere heats up.

The average surface temperature of the globe has risen by about 1 degree Fahrenheit (0.55 degree Celsius) in the 20th century, and about half of that in the last 40 years — with temperatures generally rising more the farther away one gets from the Equator. A warmer atmosphere sucks up more water from the oceans and in general makes more moisture available to developing storms. Observations show that atmospheric water vapor has increased. Therefore, the scientists say, global warming may well be revving up the planet's rainmaking machine.

A rainier world is just one of several climatic changes already observed that are associated with the warming, scientists say. Temperatures have risen more at night than in the day, portending milder winter evenings but also more deadly heat waves. Experts, for instance, attributed the record death toll in Chicago's 1995 heat wave mainly to a combination of unusually high nighttime temperature and humidity.

THE area of the Northern Hemisphere covered by snow has generally declined in the last 25 years. Mountain glaciers have receded in many areas. Sea level has risen as warmth has caused the water to expand. Spring comes earlier and fall arrives later in Northern latitudes, which have become about 10 percent greener.

A panel of more than 2,000 scientists advising the world's governments estimates that the world will warm by more than another half degree in the next 20 years if emissions of greenhouse gases — principally carbon dioxide, produced by the burning of coal, oil and natural gas — are not reduced. With another half degree of warming, the average global temperature would approach the highest experienced in the 10,000 years since the last ice age, said Dr. Thomas Crowley, a paleoclimatologist at Texas A&M University.

A century from now, according to the panel's best estimate, the Earth's surface will be about 3.5 degrees warmer than in 1990. "You have to go back millions of years to find global temperatures like that," Dr. Crowley said.

The panel predicted that the warming would bring widespread climatic, environmental and economic dislocation. Some benefits are expected to result, including longer growing seasons in Northern Hemisphere breadbaskets and more robust plant growth. But many effects would be adverse, including intensified cycling of water through the ocean-atmosphere system that would result in both more frequent and severe floods and droughts. Sea level is expected to rise, inundating many low-lying coastlines. Climatic zones would shift away from the Equator, upsetting natural ecosystems. Entire forest types might disappear. Agriculture in some parts of the world, especially Africa, might be devastated.

NYSE

Wednesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

PERSONAL STOCK PORTFOLIOS

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Continued on Page 16

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International Herald Tribune
BUSINESS/FINANCE
THURSDAY, SEPTEMBER 11, 1997

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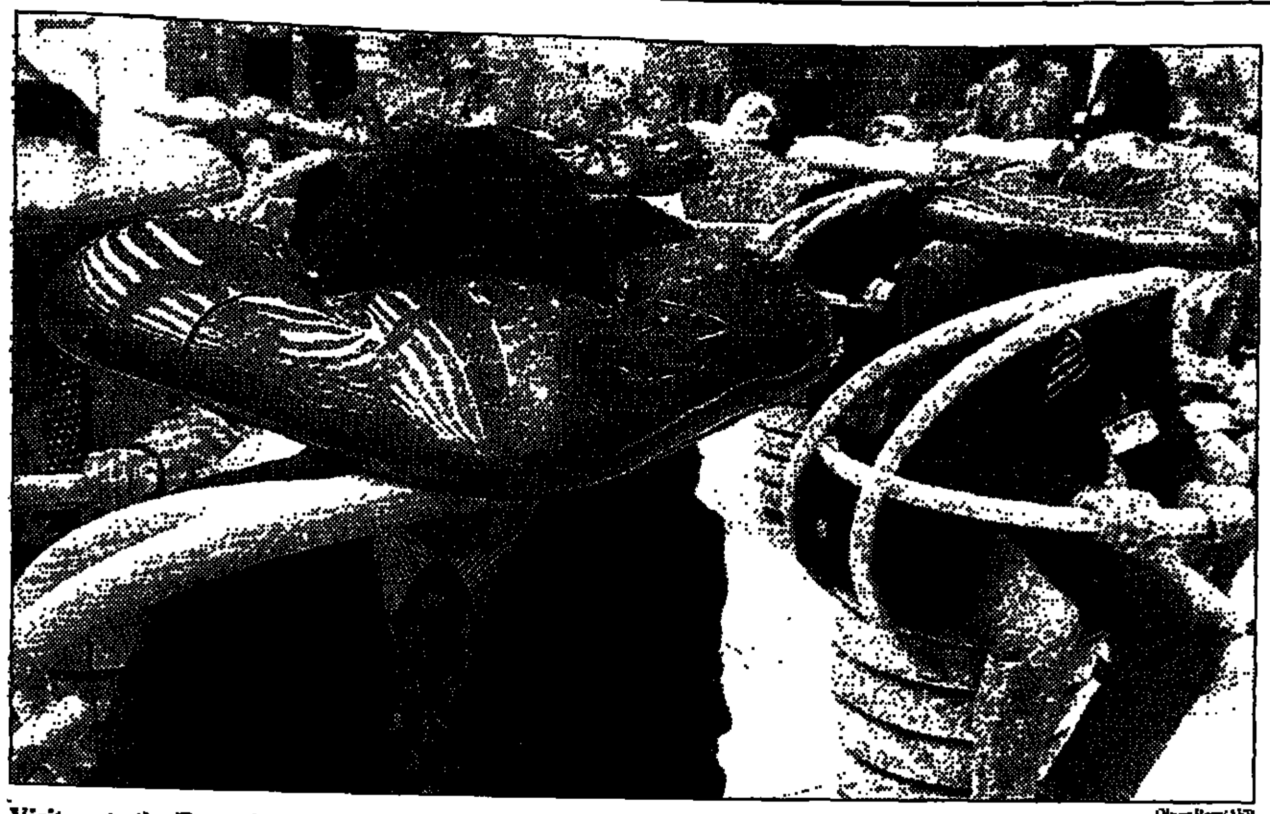

Oliver Berg/AFP

Visitors to the Frankfurt auto show peering into virtual-reality devices for a "virtual" drive of Opel models.

IMF Says It Warned Thais on Baht

Defending System, Aide Discloses Advice Year Before Crisis

By Alan Friedman
International Herald Tribune

PARIS — The International Monetary Fund, saying that its early warning system against financial crises is effective, has disclosed that it issued a private warning to top officials in Bangkok a full year before Thailand's currency crisis hit in July.

Stanley Fischer, the IMF's first deputy managing director, said at a news conference in Washington on Wednesday that the financial organization warned Thai authorities as early as June 1996 that its inflexible exchange-rate system and large current-account deficit could cause problems.

Thirteen months later — in July 1996 — the Thai currency collapsed under selling pressure from investors. Officials in Bangkok were then forced to let the Thai baht float on the open market. The Thai crisis had a domino effect on other currencies in East Asia, and the IMF last month worked with governments in the region to concoct a $17 billion emergency rescue package for Bangkok.

"The early warning system worked fine," Mr. Fischer said. "This was a case where the authorities were made aware quite early of the concerns of the Fund."

Some analysts said Mr. Fischer's remarks may have been aimed at answering criticism of the IMF's early-warning system, which was supposed to have been strengthened after the Mexican currency crisis in 1995.

The IMF warning to Thailand in 1996 also contained praise for Bangkok's economic performance.

The IMF's role in the Thai crisis is expected to be discussed next week during the organization's annual meetings in Hong Kong.

Mr. Fischer defended the fact that the IMF's worries about Thailand were restricted to a private document. "I don't think the Fund can issue public pronouncements about a fear that a crisis is imminent in a country, because that would change the nature of our dialogue with the country," he said. "We have a lot of inside information which we get because a country trusts us not to go public."

The IMF package has not yet resolved Thailand's problems, which include a general loss of business confidence and heavy loan losses at banks and financial companies, especially related to the real-estate sector. The country's growth rate also is expected to slow significantly over the next few years.

On Wednesday, Moody's Investors Service Inc. said it might lower Thailand's long-term foreign currency debt ratings because of its slumping currency and slowing economy.

Also on Wednesday, five leading Thai commercial banks raised lending rates to six-year highs, causing stocks to tumble for a second day and heightening concern that more borrowers will default. (Page 17)

Thailand is expected to be among the countries featured in a special World Bank report on financial-sector weaknesses in East Asia that is due to be published Thursday.

Separately, Mr. Fischer said that the prospect of a stock-market crash in the United States and in other equity markets remained "a lingering concern." He added, however, that it was difficult to predict the overall economic impact should there be a crash in prices.

"I think there is a danger there. We have to watch for it," the IMF official said. If stock prices were to drop in a measured fashion, he said, that would probably slow economic growth. But if there were a "very rapid correction" instead, Mr. Fischer said, central banks probably would take action "very rapidly."

Asked about the performance of Japan, Mr. Fischer said the IMF had "become a little less optimistic about the Japanese economy's performance in 1997" as a result of a sharper-than-expected decline in consumer spending after tax increases. He said Japanese growth this year should be "right around" 2 percent. Earlier this year, the IMF forecast Japanese growth of 2.2 percent in 1997.

Robert Rubin, the U.S. Treasury secretary, also commented on the Japanese economy, saying that Tokyo should seek

See IMF, Page 17

Do Swatch Makers Have 'Smart' Car?

By Barry James
International Herald Tribune

FRANKFURT — The first sight that greets visitors to the Frankfurt auto show is a large glass tower containing 16 curious, brightly colored automobiles stacked on top of one another.

It looks like a watch display in a department store, and the resemblance is probably intentional, for this is the long-awaited "Smart" car produced in eastern France by Daimler-Benz AG from a concept developed by Swiss Watch Co., which is known by the initials SMH.

The Smart car is the size of an electric golf cart, but its developers say it can carry two passengers and their luggage in comfort, reach a highway speed of 130 kilometers (80 miles) an hour and stay intact in a crash with much larger vehicles. The company that makes the auto, Micro Compact Car AG, which is owned 81 percent by the Mercedes-Benz unit of Daimler-Benz AG and 19 percent by SMH, hopes that the little vehicle will become ubiquitous on crowded city streets and as trendy as SMH's Swatch throwaway timepieces.

Motor-industry analysts describe the Smart as evidence of new thinking by automobile manufacturers amid concern about increasing congestion and pollution in cities. VW's Audi division showed an all-aluminum four-seat turbo-diesel vehicle that it says will run 100 kilometers (62 miles) on only three liters (about 0.8 gallon) of fuel.

Mercedes-Benz has already introduced its compact A-series car, and it is showing an idea for a computer-controlled three-wheeled vehicle for two passengers in line that it says will combine the advantages of a motorbike and a city car.

Fiat SpA of Italy has announced plans to replace its tiny 500 model in 1999, and the Rover division of Bayerische Motoren Werke AG displayed a proposed version of a subcompact that is to replace its popular Mini by about 2000.

If small is beautiful, much of the attention surrounding the auto show, which opens Thursday and runs through Sept. 21, has been focused on three of Europe's bread-and-butter hatchbacks. Volkswagen AG, the Adam Opel AG division of General Motors Corp. and the Citroen division of France's PSA Peugeot Citroen SA all introduced models that will be crucial to their futures: VW's Golf, Opel's Astra and Citroen's oddly named Xsara.

Kai Pfaffenbach/Reuters

The Ferrari adviser Niki Lauda *standing before Smart car display.*

Because the Golf accounts for about half of the sales of one of Germany's flagship companies, the launching of a new Golf model is always of particular interest. The model has sold about 17 million vehicles in its three previous incarnations, and getting the design right has been critical to VW, which faces competition from the Mercedes A-series, from Japanese and South Korean automakers, from European rivals and from its own subsidiaries such as Skoda in the Czech Republic and SEAT in Spain.

Under VW's ownership, Skoda, once a laughingstock even among vehicles in Eastern Europe, has created one of the most stylish small sedans at the auto show, the Octavia. Because the car is produced in one of the most modern car plants in the world and uses the same platform and many of the components as the Golf, many customers may wonder why they need to spend more for a Golf.

To stay ahead of the pack, Volkswagen has emphasized technological prowess in fields such as safety, economy and resistance to theft, as well as performance and comfort. The car also comes with a satellite navigation system that display's the car's position on a route map displayed on a small screen. The system can also relay messages and precise coordinates to breakdown and emergency services.

But technological advances are quickly matched by rivals, and Volkswagen has had to trim expenses to keep the price of the new model at about the same as the one it replaces, despite the addition of air bags, anti-lock brakes and other features as standard equipment.

The German car industry has benefited from rationalization, cost-cutting and a 15 percent decline of the Deutsche mark against the dollar, and both VW and Daimler Benz AG have increased their share in major European markets.

VW kept its factories running through the August holiday period to keep up with demand, and it managed to almost double the value of its shares this year before the announcement of a new rights issue sent values plunging 13 percent. Analysts said BMW also was set to increase market share now that it had finished absorbing Britain's Rover group.

But although some analysts predict growth of as much as 8 percent in the European market in the next couple of years, it is nonetheless a market with limited possibilities for dramatic growth.

The market has also been unforgiving to companies that have been slow to reorganize, such as France's partly state-owned Renault. It is the second-largest importer into Germany and has a range of innovative models, but last week it finally closed the doors of its factory near Brussels to concentrate production at factories in France and Spain in an attempt to stem heavy losses.

Not only are too many European manufacturers chasing too few customers, but they also face growing competition from Japanese and South Korean imports. Most manufacturers therefore are looking for foreign outlets, and several of the new models at the Frankfurt show will be produced not only in Europe but at factories in Eastern Europe, Asia and Latin America. VW last week announced it would make a rare share offering, seeking to raise 6 billion to 8

See AUTOS, Page 17

Developing Nations' Growth Will Surge, World Bank Says

By Richard W. Stevenson
New York Times Service

WASHINGTON — The World Bank has forecast that growth in developing countries will accelerate over the next decade, and that the five biggest emerging economies — China, India, Indonesia, Brazil and Russia — will become economic powerhouses in the next quarter-century.

The bank forecast that growth in developing nations would surge to an average of 5.4 percent a year through 2006, up from 4.5 percent last year and 2.3 percent from 1991 through 1995.

Much of the increase, it said, would come from a turnaround in the economies of Eastern Europe and the former Soviet Union, where output declined in the years immediately after the fall of communism. Those economies are starting to grow again, the bank said.

The bank said that growth in the thriving economies of East Asia would begin slowing somewhat in coming years, but that growth would pick up in sub-Saharan Africa.

The positive outlook for developing nations, the bank said, is driven by stable economic conditions worldwide, including low inflation and interest rates, and by surging flows of foreign capital and expertise into emerging markets.

By 2020, emerging nations will become a far bigger factor in world trade, the bank said, creating huge economic opportunities for both industrial and developing nations but also unleashing political pressure to insulate workers and consumers from the turbulence certain to accompany the changes.

In its report, titled "Global Economic Prospects and Developing Countries," the bank foresaw growth rates in the five biggest such economies running only slightly higher than those for developing nations over all. But the sheer size of China, India, Indonesia, Brazil and Russia and their rapid integration into the global economy will have far-reaching consequences, the report predicted.

China Lays Claim as Tigers' Successor

By Jonathan Gage and Velisarios Kattoulas
International Herald Tribune

SEOUL — Asia's economic miracle has not died, China says, it has just moved on. And to Beijing's growing delight, it has moved on to China.

While some investors are pulling out of the slowing "tiger" economies and turbulent financial markets of East Asia, a leading Chinese trade official said Wednesday, economic prospects are robust in the People's Republic.

Foreign investment is soaring, exports are booming and China's financial handlers have managed to pull inflation back to single digits without derailing economic growth, said Long Yongtu, the deputy minister of foreign trade and economic cooperation.

Foreign direct investment in China totaled $45 billion last year, he said, putting China in second place behind the United States in drawing investment. He said the figure was rising this year.

Mr. Long said China's new bounty was perhaps partly at the expense of Beijing's regional economic rivals, including Seoul, Singapore, Hong Kong and Jakarta, which produce goods that are now made more cheaply in China.

This is not the fault of the country's Communist leaders, he said.

"You have to respect the law of the market," Mr. Long said, "because the capital goes where it can make a profit. Nobody should complain about this."

China may remain the preeminent source of cheap labor for "the next 30 to 60 years," he added.

"I don't think it is fair to say that China is squeezing" its Asian neighbors out of trade and prosperity, he said. "But we have the competitive advantage now."

Beijing is confident it can achieve annual growth rates of at least 8 percent over the next decade while keeping inflation in the low single digits. Last year, for instance, China grew by about 11 percent with inflation of about 5 percent.

"We are confident that we have already found a way to maintain a reasonably high growth rate while we keep inflation down," Mr. Long said. "I think that this is a great achievement."

Mr. Long spoke in an interview here on the sidelines of a business conference where executives of South Korea's leading industrial conglomerates were busy debating with government officials and financial analysts about how Seoul could cope with its growing list of financial and economic worries.

"Korea's problems are far from unique in Asia," said Philip Tose, chairman of Peregrine Investments Hold-

See TIGERS, Page 17

WALL STREET WATCH

The Red-Soup-Can Company Seeks to Become a Blue Chip

By Glenn Collins
New York Times Service

NEW YORK — Campbell Soup Co. is making a high-profile bet on its core businesses in an effort to lift its earnings into the realm of blue-chip performers.

Campbell this week said it would spin off seven low-growth businesses with combined sales of $1.4 billion, including the Swanson frozen-dinner and Vlasic pickle brands, as one new company.

The move had been expected, but investors responded favorably, and Campbell shares briefly traded at a record high of $52.875 Tuesday, the day of the announcement. The stock finished Wednesday at $49.25, down $2.4375 from Tuesday's close.

Now investors are presented with a basic question: Is the spin-off a canny move of tax avoidance that will greatly benefit both Campbell and its new corporate offspring, or is it simply a strategy for dumping Campbell castoffs into a new company that will excite little interest on Wall Street?

Many analysts were encouraged by the details of the spin-off. Nomi Ghez of Goldman, Sachs & Co. upgraded Campbell to an "outperform" rating, the equivalent of a "buy."

The spin-off, temporarily named Specialty Foods, is expected to be completed by the end of February, when Campbell stockholders will get shares in the new company at a ratio yet to be determined. Campbell will allocate $500 million in debt to the new company, and Campbell will receive a $500 million cash payment that it can use for acquisitions or to reduce debt.

The units in the Specialty Foods spin-off account for 18 percent of Campbell's 1997 sales of $7.96 billion., or about 11 cents of the company's reported 1997 per-share earnings of $1.85 before a restructuring charge.

First estimates of the increase in Campbell's value to result from the spin-off ranged from $1 to $6 a share. The new Campbell "will become the Cadillac of the food business and should command a higher multiple, so shareholder value will be created," said Terry Bivens, an analyst for Bear, Stearns & Co. He reiterated Campbell as a "strong buy" and raised his 1998 per-share earnings estimate by four cents, to $2.16.

But other analysts sounded a negative note. "They are playing a game of gin rummy, throwing away businesses they don't want and maybe couldn't sell for an effective rate," said John McMillin, an analyst with Prudential Securities, who did not upgrade his "hold" rating.

Campbell itself would be "a cleaner, more cash-generating company," he said. But "there is not going to be a mad rush to own this food company," Mr. McMillin said of the spin-off. "Swanson has been a stagnant brand at best."

The key to the success of the spin-off will be its new management, Ms. Ghez said. The head of Specialty Foods will be Robert Bernstock, 46, the head of Campbell's grocery business in the United States who lost out to Dale Morrison to become the company's chief executive.

Analysts praised Mr. Bernstock's management skill. Ms. Ghez called him "a smart, aggressive guy."

Still, Mr. McMillin said, "They're putting handcuffs on him with $500 million in debt, because he's not going to be able to make too many acquisitions."

Mr. Morrison also promised this week that Campbell would make a soup-company acquisition in one of the world's "large global soup markets."

But will Campbell achieve its dream of being known as a blue chip, not just a soup producer?

"This spin-off will give Campbell higher margins and a better growth profile," Ms. Ghez said. "However, it is a long distance between Campbell and Coke. The key is the international business, and that is Campbell's challenge."

CURRENCY & INTEREST RATES

Cross Rates

Sept. 10

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.03	3.2195	1.1264	0.335	0.1154*	—	5.455*	1.3498	1.7028*	1.4665	1.3355*
Brussels	37.165	58.95	20.647	6.1425	2.1175*	18.3265	—	25.1175	31.141*	26.84	24.535*
Frankfurt	1.8032	2.8667	—	0.2974	0.1025*	0.8878	4.8434*	1.2174	1.5161*	1.3048	1.1858*
London (a)	1.5863	—	2.8577	9.6104	2,790.872	3.219	59.0215	2.361	188.9998	2.196	241.0427
Madrid	152.259	241.163	84.34	25.082	8.641*	74.875	4.0848	102.49	127.841*	109.966	—
Milan	1,763.88	2,799.88	975.65	290.38	—	865.75	47.19	1,188.08	14.805	1,273.18	11.583
New York (b)	—	1.5855a	1.7986	6.052	1,755.00	2.0258	37.17	1.4785	119.135	1.3867	152.20
Paris	6.0905	9.615	3.3626	—	0.3465*	2.9853	0.1629	4.0942	5.097*	4.3843	3.9868*
Tokyo	119.35	189.73	65.78	19.57	6.875	58.91	3.1869	80.18	—	86.27	0.7805
Toronto	1.3856	2.1968	0.7699	0.229	0.0788*	0.6834	3.728*	0.9365	1.1613*	—	0.912*
Zurich	1.48	2.3516	0.8222	0.2446	0.0842*	0.7297	3.982*	—	1.242*	1.0689	0.9743*
1 ECU	1.09	0.6886	1.9677	6.6167	1,920.71	2.2165	40.6291	1.6161	129.817	1.5092	165.982
1 SDR	1.3569	0.8563	2.4536	8.2371	2,391.08	2.7583	50.8095	2.0839	161.947	n.q.	n.q.

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	283.87	Mex. peso	7.77	S. Afr. rand	4.7025
Australian $	1.3755	Hong Kong $	7.7442	N. Zealand $	1.5748	S. Kor. won	908.80
Austrian sch.	12.698	Hung. forint	197.14	Norw. krone	7.4337	Swed. krona	7.7975
Brazil real	1.0909	Indian rupee	36.51	Phil. peso	31.00	Taiwan $	28.61
Chinese yuan	8.3181	Indo. rupiah	2895.00	Polish zloty	3.51	Thai baht	33.53
Czech koruna	34.17	Irish £	0.6716	Port. escudo	183.09	Turkish lira	169900.
Danish krone	6.868	Israeli shek.	3.5152	Russ ruble	5840.50	UAE dirham	3.671
Egypt. pound	3.3983	Kuw dinar	0.3025	Saudi riyal	3.75	Venez. boliv.	495.75
Fin. markka	5.4017	Malay. ring.	2.9204	Sing. $	1.5108		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5824	1.5805	1.5785	Japanese yen	118.56	118.06	117.56
Canadian dollar	1.3817	1.3795	1.3773	Swiss franc	1.4809	1.4793	1.4783
Deutsche mark	1.8004	1.7969	1.7934				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 10

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	2 15/16 - 3 1/16	1 1/4 - 1 3/8	7 1/8 - 7 1/4	3 3/16 - 3 5/16	1/2 - 5/8	4 7/16 - 4 1/2
3-month	5 9/16 - 5 11/16	3 1/8 - 3 1/4	1 3/8 - 1 1/2	7 3/16 - 7 5/16	3 1/4 - 3 3/8	1/2 - 5/8	4 1/2 - 4 5/8
6-month	5 9/16 - 5 11/16	3 1/4 - 3 3/8	1 9/16 - 1 11/16	7 3/8 - 7 1/2	3 3/8 - 3 1/2	1/2 - 5/8	4 5/8 - 4 3/4
1-year	5 7/8 - 6	3 3/8 - 3 1/2	1 3/4 - 1 7/8	7 1/2 - 7 5/8	3 9/16 - 3 11/16	9/16 - 5/8	4 7/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 5/8	5 1/2
90-day CDs dealers	5.61	5.40
180-day CP dealers	5.51	5.51
3-month Treasury bill	4.97	4.99
1-year Treasury bill	5.30	5.28
2-year Treasury bill	5.97	5.95
5-year Treasury note	6.25	6.23
7-year Treasury note	6.29	6.27
10-year Treasury note	6.35	6.33
30-year Treasury bond	6.66	6.63
Merrill Lynch 30-day RA	5.09	5.09
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.42
1-month interbank	0.54	0.54
3-month interbank	0.54	0.54
6-month interbank	0.54	0.54
10-year Govt bond	2.24	2.25
Germany		
Lombard rate	4.50	4.50
Call money	3.12	3.14
1-month interbank	3.20	3.21
3-month interbank	3.31	3.32
6-month interbank	3.32	3.44
10-year Bund	5.65	5.65
Britain		
Bank base rate	7.00	7.00
Call money	7 3/16	7 1/4
1-month interbank	7 1/8	7 1/8
3-month interbank	7 1/4	7 1/4
6-month interbank	7 7/16	7 7/16
10-year Gilt	6.96	6.97
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 1/4
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 3/8	3 3/8
10-year OAT	5.54	5.55

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	321.65	320.90	—0.50
London	321.00	320.80	—0.90
New York	324.10	324.10	Unch.

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

A LITTLE SOMETHING FOR YOUR GREAT GREAT GRANDSON

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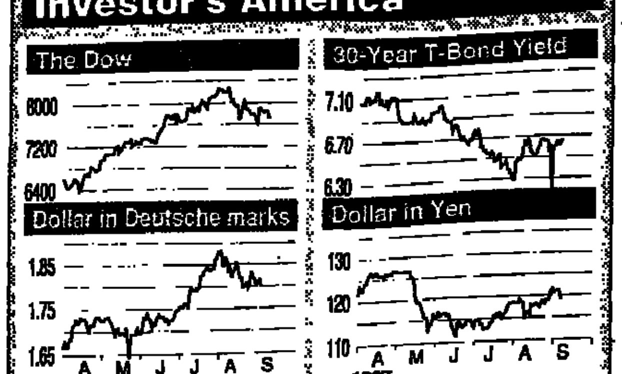

Exchange	Index	Wednesday 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7719.28	7851.91	-1.69
NYSE	S&P 500	919.03	933.63	-1.56
NYSE	S&P 100	891.55	906.19	-1.62
NYSE	Composite	480.63	486.69	-1.25
U.S.	Nasdaq Composite	1639.27	1656.25	-1.03
AMEX	Market Value	670.30	671.43	-0.17
Toronto	TSE Index	6758.40	6795.52	-0.55
São Paulo	Bovespa	11329.84	11665.03	[illegible]
Mexico City	Bolsa	4826.34	4931.12	-2.25
Buenos Aires	Merval	808.28	831.81	-2.71
Santiago	IPSA General	5527.98	5539.18	-0.20
Caracas	Capital General	N.A.	10430.54	

Source: Bloomberg, Reuters — International Herald Tribune

HCA Chief: 'How-to' Buff

The Associated Press

NASHVILLE, Tennessee — A month before a surprise federal raid cost Richard Scott his job, he urged his managers to mimic Winston Churchill: "Never, never, never, never give up."

Two weeks later, the Columbia/HCA Healthcare Corp. chief executive quoted Hannibal as he prepared to cross the Alps: "We will either find a way or make one."

Mr. Scott has not commented publicly about charges that Columbia overbilled government health insurance programs. But he did a lot of communicating in a stream of electronic-mail messages in the weeks before the federal investigation of Columbia left him jobless. The missives, some sent before 4:30 A.M. and some after 8 P.M., reveal a man with marathon work habits, a fondness for how-to books and a philosophy culled from such varied thinkers as George Bernard Shaw, Martin Luther King Jr. and Fred Astaire.

"Everyone I've ever known who has talked about the man has used the terms brilliant, driven and bizarre," said Jeffery Alexander, a Boston health-care lawyer whose clients have worked with Columbia. "He would come up with these philosophical pontifications that were just out of left field."

At Columbia, Mr. Scott drove a campaign to consolidate the hospital industry by maximizing profits.

But the hospital's board demanded his resignation after he shrugged off the raids by federal agents seeking evidence of Medicare fraud in seven states as "a matter of fact in health-care today."

Mr. Scott, a lawyer with no health-care experience before Columbia, talked of hospital care like a factory foreman, referring to diseases as "product lines." Whether "admitting patients or making a radio," he wrote, by eliminating errors "you dramatically reduce costs."

A thrifty executive, Mr. Scott quoted Matsushita Electric head Konosuke Matsushita: "Any waste, even of a sheet of paper, will increase the price of a product by that much." When not quoting from the likes of Calvin Coolidge, Woodrow Wilson, Eleanor Roosevelt and Abraham Lincoln, Mr. Scott pored through the Horatio Alger stories that line shelves in bookstores, sometimes adopting their theories as his own.

"One of my favorite books is 'Behind The Golden Arches,' the history of building McDonald's," he wrote.

He said McDonald's knows that "great companies take these ideas and share them and implement them across their markets."

In the spirit of McDonald's, Mr. Scott launched in a nationwide campaign designed to make Columbia's name equally prevalent, spending millions of dollars on advertising.

He wrote that hospitals, including Columbia, "have failed to differentiate themselves in the minds of patients, employers, insurance companies and the government."

Thomas Frist, abandoned the plan after taking over for Mr. Scott in July.

Fears Over Dollar Slide Spur Wall Street Slump

Bloomberg News

NEW YORK — Stock prices stumbled Wednesday amid concern that the dollar's recent decline could spur non-U.S. investors to reduce their holdings of International Business Machines, Merck and other U.S. shares.

The Dow Jones industrial average slid 132.63 points to 7,719.28 as IBM dropped 2 13/16 to 97 3/16 and Merck fell 2 3/16 to 92⅞. The dollar has fallen almost 5 percent against the Deutsche mark in the past month, suggesting that overseas investors could lose money on U.S. investments even if the assets themselves grew in value.

"There's concern that maybe the flow of foreign capital into U.S. stocks will subside," said Robert Froehlich, chief investment strategist at Zurich Kemper Investments. "Foreigners may be quick to take profits."

Mr. Froehlich noted that the drop in the Dow, which is filled with high-profile companies familiar to most overseas investors, was worse than the slide in the lesser-known Russell 2000 Index. The Russell fell 0.85 point to 436.90.

"Valuation levels are still pretty high," said David Nelson, a fund manager at the UAM ICM Equity Fund. "I wouldn't be surprised to see the market continue to be flat to down going forward."

Others said stocks outside the Dow traded for lower prices relative to earnings growth than did the international stars and that investors were flocking to them.

"You've got people rebalancing their portfolios, taking profits in the big-caps and putting them into secondary stocks," said Ken Ducey, head of trading at BT Brokerage.

The Standard & Poor's 500 index fell 14.59 points, to 919.03, dragged lower by shares of computer and networking equipment companies. The Nasdaq Composite Index fell 16.95 points to 1,639.27.

Grace Messner, head of value investing at Wilmington Trust Co., said she had been buying shares of restaurants, retailers and nursing home chains — stocks that were out of favor earlier this year as the Dow raced higher.

With the Dow's decline Wednesday, it now lags the Russell 2000

U.S. STOCKS

index in performance this year. The Dow has risen about 20 percent, 0.1 percentage point behind the Russell.

A slide in U.S. bond prices — and a corresponding rise in yields — contributed to the drop in stocks. The yield on the benchmark 30-year Treasury bond rose to 6.66 percent from 6.62 percent. Rising interest rates hurt profits by making it more expensive for companies to finance their businesses.

U.S. bonds came under pressure as borrowers, including Korea Development Bank and Venezuela, lined up to sell $15 billion in debt.

Bank stocks, which are among the most sensitive to swings in interest rates, declined. Banc One, Mellon Bank, Wells Fargo and Republic New York posted drops.

Investors said U.S. stocks may not reach new highs soon — the Dow is about 6 percent below its Aug. 6 record of 8,259.31 — unless next month's third-quarter earnings reports topped expectations.

Apac Teleservices, a telephone marketing firm, fell after saying earnings would fall short this year because of lower revenue and higher costs.

Sheldahl, a maker of circuits for automotive electronics, forecast a wider loss than analysts expected, and its shares dropped.

On the flip side, Anchor Gaming jumped after it said analysts' estimates for its first quarter "may be conservative."

KLA-Tencor surged after Standard & Poor's selected the computer-chip equipment maker to replace Amdahl in the S&P 500 Index, meaning fund managers who track the index will have to buy the shares. Amdahl posted a drop.

Sterling Commerce shares rose after Goldman, Sachs & Co. added the software publisher to its "recommend list."

Very briefly:

Bigger Heinz Payout and Buy-Back

PITTSBURGH (Bloomberg) — H.J. Heinz Co., the maker of Heinz ketchup and StarKist tuna, raised its quarterly dividend by 8.6 percent and expanded a share-buyback plan by 10 million shares, or about 3 percent of the 374.3 million shares outstanding.

Heinz raised its quarterly dividend on common stock to 31.5 cents a share from 29 cents, payable Oct. 10 to holders of record Sept. 23.

P&G Agrees to Coupon Refund

CINCINNATI, Ohio (Bloomberg) — Procter & Gamble Co. and 10 other companies agreed to provide $4.2 million in special refund coupons to settle New York state's charges that the companies conspired to deprive consumers of discount coupons in western New York last year. The companies said they had not admitted any wrongdoing in the settlement.

The settlement followed a state investigation of P&G's experiment to eliminate coupons. P&G has said that only 2 percent of the coupons it distributes are redeemed. The company resumed coupon offers in the area in April 1997.

- **Smith Barney Inc.** agreed with Hansberger Global Investors Inc. to jointly develop and market global mutual funds in the United States. Hansberger Global is led by Tom Hansberger, a veteran global fund manager.
- **Northern Telecom Ltd.** will hire 1,000 high-technology employees and spend 270 million Canadian dollars ($196 million) over four years to expand its high-speed fiber optics plant in Montreal.
- **U.S. mutual fund investors** poured an estimated $6.09 billion into equities funds in the week ended Monday, a huge increase from the prior week when $410 million was invested, according to an industry report. International stock funds attracted net inflows of about $415 million in the latest week, according to Trim Tabs Financial Services Inc.

Internet Tightens Alert on Fraud

The Associated Press

WASHINGTON — The National Consumers League, saying its Internet fraud reports tripled in the last year, unveiled new Web pages to arm consumers against cybercrooks and warned them of the 10 most-used scams.

Susan Grant, the league's Internet Fraud Watch director, said Wednesday that nearly 100 scam complaints a month had been received so far this year, compared with 389 for all of 1996. They range from $10 to $10,000.

"Cybercrooks are in your pocketbooks with a click of the mouse," the league president, Linda Golodny, told reporters.

Ms. Grant said, "It's like a giant yard sale in cyberspace."

"Consumers purchase a variety of items that are advertised online," she said, "but they don't always get what they bargained for."

The officials said the most common signs of fraud were extravagant promises of profits, guarantees of credit, suspiciously low prices or prizes requiring advance payments.

• *Recent technology articles: www.iht.com/IHT/TECH/*

GDP Data in Germany Give a Boost to Mark

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against the Deutsche mark Wednesday, hurt by a report that showed that the German economy was recovering and by declines in U.S. stocks and bonds.

But the dollar gained against the yen amid more signs of financial turmoil in Southeast Asia.

The dollar was quoted at 1.7986 DM in 4 P.M. trading, off from 1.8144 DM on Tuesday, and it slipped to 119.135 yen from 119.150 yen.

The Bundesbank reported that Germany's economy expanded more than three times as much in the second quarter as in the first, a trend that was in line with most econo-

FOREIGN EXCHANGE

mists' forecasts. Traders said the report did not suggest that the central bank would raise interest rates immediately, but it kept alive speculation that a rate rise may occur before the end of the year.

Dealers said the market had been further unsettled by a statement from Franz-Christoph Zeitler, a member of the Bundesbank's central bank council, who said the bank was "ready to put on the brakes" if German inflation continued to rise, although there was no "urgent need" to act now.

Traders said the dollar also had been dragged down by sales of yen for marks. Many such transactions go through the U.S. currency, with investors first selling yen for dollars and then selling the dollars for marks.

The mark rose about 1 percent Wednesday against the Japanese currency, to 66.30 yen.

The recent weakness in Southeast Asian currencies has hurt the yen by raising the competitive pressures on Japanese exports, one of the few bright spots in a Japanese economy beleaguered by sluggish growth and anemic consumer spending.

The dollar also was quoted at 1.4785 Swiss francs, off from 1.4885 francs, and at 6.0520 French francs, off from 6.0980 francs. The pound was quoted at $1.5855, off from $1.5895. *(Bloomberg, AFP)*

AMEX

Wednesday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7815.90	7851.91	7712.54	7719.28	-132.63
Trans	3004.54	3046.71	2985.73	3021.17	+9.07
Util	236.97	237.55	234.01	234.15	-1.34
Comp	2472.13	2480.87	2456.48	2457.63	-23.24

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	1100.80	1087.69	1094.65	1077.37
Transp.	668.54	661.54	663.54	663.10
Utilities	203.67	201.47	203.18	201.98
Finance	109.66	108.00	108.96	107.03
SP 500	938.90	927.28	933.62	919.03
SP 100	911.88	899.60	906.19	891.55

NYSE

	High	Low	Last	Chg.
Composite	486.69	480.47	480.63	-6.06
Industrials	614.49	606.44	606.68	-7.81
Transp.	445.41	438.36	442.20	-0.37
Utility	290.09	286.88	287.00	-3.09
Finance	456.43	450.19	450.32	-6.11

Nasdaq

	High	Low	Last	Chg.
Composite	1656.17	1639.27	1639.27	-16.95
Industrials	1032.61	1020.91	1020.91	-5.07
Banks	1797.99	1792.14	1795.55	-2.01
Insurance	1747.41	1736.92	1739.98	+0.81
Finance	2133.46	2126.51	2127.39	-4.57
Transp.	1063.28	1054.92	1062.64	+10.04

AMEX

	High	Low	Last	Chg.
	671.93	669.97	670.30	-1.13

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	103.85	103.61
10 Utilities	101.42	101.23
10 Industrials	106.28	105.99

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
AT&T s	93005	42⅞	40⅝	42	+1⅛
IBM s	85198	100⅞	96⅝	97⅜	-2⅞
ColHCA s	79191	29⅞	28⅞	29	-⅛
Corningin	69622	49⅝	46⅝	47⅛	-1⅝
K mart	68163	15½	14⅝	15⅛	+⅛
Boeing s	60361	54⅛	52½	52⅞	-1⅝
PhilMor s	57854	44⅝	43½	43⅞	-1⅛
Compaq s	54847	68⅞	66	67	-1
WDigitl s	44984	45⅛	44	44⅞	+⅜
Iomega	43670	27⅛	26	26⅛	-⅞
GenElec s	42383	66⅝	65⅝	65⅝	-⅞
CUC Intl s	38899	28⅝	28	28⅛	+⅛
BakrHu	38405	46	41⅛	43⅞	+1⅞
Gate2000 s	38120	35½	32⅝	34⅝	+1⅛
WalMart	36600	39½	37⅝	37⅞	-⅞

Nasdaq

	Vol.	High	Low	Last	Chg.
Ascend	228770	41⅛	39⅝	40⅛	-2½
Cisco	137918	75⅝	72⅛	72⅞	-3⅛
Intel s	129509	98⅛	95⅝	95⅝	-1⅞
Tellabs s	103822	58	51⅛	52⅛	-4⅞
WorldCm	94766	36⅛	35⅛	35⅞	+⅛
TeleComA	90239	19⅞	18⅝	19	-⅞
3Com	81626	51⅛	48⅛	49⅞	-1⅝
Oracle s	79928	39⅛	37⅛	38	-1⅝
Microsft s	59247	139⅞	135⅜	135⅛	-4
APACT	59054	12⅛	10⅛	12⅛	-⅛
PairgTch	52018	29⅞	26⅛	28⅛	+⅛
[illegible]	44208	[illegible]	23	23⅞	-5
KLA Tenc	47869	75	72½	72⅞	+2¾
TelTCIA n	41610	20⅛	19½	19⅝	-⅛
SunMic s	41476	50⅜	49⅝	49⅞	+⅛

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	34267	93⅜	91⅞	92	-1⅜
TWA	27612	8⅝	7⅝	8⅛	+⅜
Oil Ind	16629	6⅞	6⅝	6½	+⅛
FAusPr	14867	9⅞	8⅝	8⅞	-⅛
Harken	12806	6⅝	6	6⅝	+⅜
Metromda	10973	12⅞	11⅝	12	-⅞
PLC Sys	8011	14⅞	14	14⅝	+1⅛
VisibG g	7487	⅝	½	½	
ViacB	6682	33⅝	32⅞	33⅝	+⅝
Hasbro s	6651	28⅛	27⅞	27⅞	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1053	1612
Declined	1781	1243
Unchanged	557	560
Total issues	3391	3415
New Highs	221	262
New Lows	9	9

Nasdaq

	Noon	Prev.
Advanced	1700	2322
Declined	1730	1922
Unchanged	2024	1491
Total issues	5454	5735
New Highs	196	355
New Lows	40	40

AMEX

	Close	Prev.
Advanced	261	304
Declined	334	261
Unchanged	146	176
Total issues	741	741
New Highs	42	51
New Lows	6	5

Market Sales

	Today 4 P.M.	Prev. cons.
NYSE	519.42	606.50
Amex	29.18	29.69
Nasdaq	669.07	711.41

In millions.

Dividends

Company	Per	Amt	Rec	Pay
STOCK SPLIT				
Fst W Virgina Bncp 2 for 1 split.				
INCREASED				
Equity Inns	Q	.29	9-30	11-3
YEAREND				
Central Fd Cda A g	A	.01	10-31	11-14
INITIAL				
Crescent Riest n	-	.38	10-16	11-4
Mercantile Bks	-	.20	9-22	9-30
Von Houtte.AL	-	.10	10-17	10-28
REGULAR				
Allegiant Bncp	Q	.03	9-30	10-15
Blkrk Strat Term	M	.0396	9-15	9-30
Bristol Myers	Q	.50	11-7	12-1
Brooke Group	Q	.075	9-24	9-30
CRH PLC ADR	x	.3342	9-12	11-25
CRIIMI Mae	Q	.35	9-19	9-30
Central Parking	Q	.0225	9-29	10-10
Century Alum	Q	.05	9-16	9-30
Curtiss-Wright	Q	.25	10-15	10-31
Enron Oil & Gas	Q	.03	10-15	10-31
Falcon Prod	Q	.035	10-3	10-17
Fleetwood Enterpr	Q	.17	10-3	11-12
Forest City A&B	Q	.06	12-1	12-15
Glimcher Rlty	Q	.4808	9-30	10-14
Graphic Ind	Q	.0175	9-19	10-3
Intl Flavors	Q	.36	9-26	10-10
Inv Grd Muni Inco	M	.075	9-18	9-30
Kaman Corp A	Q	.11	10-6	10-20
Morgan, JP	Q	.88	9-22	10-15
Natl Health Inv	Q	.74	9-29	11-10
Norrell Corp	Q	.04	9-19	10-1
Nucor Corp	Q	.10	9-30	11-11
Pioneer Interst Shr	Q	.27	9-18	9-30
Quaker Oats	Q	.285	9-19	10-15
Sth St Fincl	Q	.10	9-19	10-3
Southam Inc g	Q	.05	12-1	12-15
Star Banc	Q	.20	9-30	10-15
StateFed Fin	Q	.10	9-30	10-10
Summit Prop	Q	.3975	10-10	11-17
Tasco Corp	Q	.06	9-19	9-30
VSE Corp	Q	.045	11-3	11-25
Voyageur AZ	M	.064	9-16	9-26
Voyageur CO	M	.0612	9-16	9-26
Voyageur FL	M	.063	9-16	9-26
Voyageur Minn	M	.0775	9-16	9-26
Voyageur Mn II	M	.068	9-16	9-26
Voyageur Mn III	M	.063	9-16	9-26

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Sept. 10, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	270	267½	269¼	+2	9,683
Dec 97	268	264½	267¼	+3	187,954
Mar 98	276¼	273	276	+2½	52,047
May 98	281¼	278¼	281	+2¼	13,121
Jul 98	284¼	281½	284¼	+2¾	21,471
Sep 98	274	272¾	272¼	+1½	1,606
Dec 98	271½	270	271¼	+1	12,790
Est. sales N.A. Tue's sales 36,831					
Tue's open int 298,900, off 8					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Sep 97	272.50	269.00	270.00	-2.20	6,554
Oct 97	233.70	229.00	230.10	-2.60	24,318
Dec 97	218.00	212.80	213.60	-3.50	44,873
Jan 98	212.00	208.50	209.40	-3.40	10,931
Mar 98	206.80	202.60	203.90	-3.10	10,276
May 98	204.10	200.00	201.20	-3.50	8,514
Est. sales N.A. Tue's sales 24,051					
Tue's open int 109,795, off 1,534					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Sep 97	22.63	22.45	22.59	+0.25	2,306
Oct 97	22.78	22.52	22.70	+0.24	20,588
Dec 97	23.16	22.92	23.06	+0.18	40,873
Jan 98	23.33	23.15	23.28	+0.14	11,989
Mar 98	23.60	23.41	23.55	+0.18	7,707
May 98	23.69	23.60	23.69	+0.19	3,227
Est. sales N.A. Tue's sales 16,077					
Tue's open int 89,082, off 2,084					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	715¾	705	709½	-3½	5,020
Nov 97	647	637¼	639	-6¼	90,953
Jan 98	648	639½	641	-5¼	20,720
Mar 98	653½	645½	646¾	-5	9,513
May 98	658¾	652	653	-5½	6,763
Est. sales N.A. Tue's sales 41,824					
Tue's open int 143,954, up 664					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	369½	365½	366½	-1½	1,638
Dec 97	384¾	379½	380¼	-2½	66,545
Mar 98	396	392	393½	-2	22,813
May 98	398½	395	395½	-1¾	3,875
Est. sales N.A. Tue's sales 16,094					
Tue's open int 104,343, off 651					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Oct 97	69.50	68.72	69.47	+0.65	36,790
Dec 97	69.95	69.50	69.90	+0.25	27,348
Feb 98	72.60	72.17	72.57	+0.12	15,366
Jun 98	71.57	71.20	71.55	+0.17	5,844
Aug 98	71.25	70.97	71.05	+0.05	1,409
Oct 98			73.85	+0.20	12
Est. sales 13,865 Tue's sales 20,262					
Tue's open int 94,103, off 1,868					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Sep 97	80.45	80.05	80.40	+0.40	3,151
Oct 97	81.10	80.50	80.72	+0.12	6,405
Nov 97	82.20	81.57	81.82	+0.17	4,208
Jan 98	83.15	82.60	82.72	unch.	2,485
Mar 98	82.85	82.30	82.50	-0.05	1,641
Apr 98	82.80	82.35	82.60	-0.05	485
Est. sales 2,446 Tue's sales 4,826					
Tue's open int 18,973, off 191					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Oct 97	69.77	69.10	69.67	+0.30	16,404
Dec 97	66.30	65.65	66.17	+0.22	8,703
Feb 98	64.90	64.50	64.75	-0.07	3,746
Apr 98	61.87	61.50	61.65	+0.10	1,660
Jun 98	66.80	66.40	66.52	-0.10	945
Est. sales 7,076 Tue's sales 11,542					
Tue's open int 32,577, off 491					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	66.15	64.80	65.55	+0.32	4,294
Mar 98	66.10	64.70	65.45	unch.	452
May 98			65.37	unch.	85
Est. sales 2,405 Tue's sales 2,336					
Tue's open int 4,882, up 253					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1654	1650	1650	+3	113
Dec 97	1687	1660	1671	+6	44,627
Mar 98	1715	1691	1700	+5	27,027
May 98	1719	1708	1719	+5	12,639
Jul 98	1737	1725	1737	+5	2,911
Sep 98	1754	1741	1754	+5	4,663
Est. sales N.A. Tue's sales 5,242					
Tue's open int 107,984, off 166					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Sep 97	201.00	198.00	199.00	-2.25	443
Dec 97	185.75	181.25	182.95	-0.55	14,058
Mar 98	167.50	164.00	165.50	-0.85	4,718
May 98	160.00	158.00	159.00	-1.05	1,644
Jul 98	153.00	152.75	152.75	-1.30	1,319
Est. sales 4,678 Tue's sales 5,441					
Tue's open int 22,723, up 264					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 97	11.54	11.36	11.40	-0.10	77,673
Mar 98	12.03	11.83	11.93	-0.08	78,990
May 98	11.97	11.82	11.90	-0.05	18,702
Jul 98	11.76	11.66	11.72	-0.01	14,252
Est. sales 36,639 Tue's sales 16,323					
Tue's open int 203,120, off 1,176					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	70.50	69.40	70.20	+0.70	329
Nov 97	69.80	68.85	69.65	+0.80	12,417
Jan 98	72.70	71.85	72.40	+0.65	8,448
Mar 98	75.60	74.70	75.40	+0.70	5,614
Est. sales N.A. Tue's sales 1,695					
Tue's open int 34,985, up 66					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Sep 97			321.70	unch.	46
Oct 97	322.70	321.50	322.60	unch.	15,753
Nov 97			323.20	unch.	
Dec 97	324.50	323.20	324.10	unch.	112,824
Feb 98	325.90	325.40	325.70	unch.	15,457
Apr 98			327.40	unch.	5,412
Jun 98	329.30	328.80	329.30	unch.	2,251
Aug 98			331.25	-0.10	4,069
Oct 98			333.20	-0.20	115
Est. sales 20,000 Tue's sales 11,190					
Tue's open int 202,432, up 915					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Sep 97	97.00	[illegible]	96.40	+0.30	3,591
Oct 97	97.40	96.50	96.85	+0.30	2,780
Nov 97	97.60	97.40	97.40	+0.25	1,590
Dec 97	98.00	96.65	97.40	+0.25	24,999
Jan 98			97.40	+0.25	821
Feb 98			97.05	-0.10	767
Mar 98	97.60	96.90	97.05	unch.	3,324
Apr 98			96.85	-0.15	561
May 98	97.65	96.65	96.65	-0.25	1,912
Est. sales 7,000 Tue's sales 6,594					
Tue's open int 45,562, up 1,231					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Sep 97	470.50	468.00	469.20	-1.20	857
Oct 97			470.50	-1.20	78
Nov 97			473.90	-1.20	
Dec 97	477.00	472.50	474.80	-1.20	53,751
Jan 98			476.30	-1.20	20
Mar 98	482.00	479.50	481.60	-1.20	11,755
May 98			485.60	-1.20	3,206
Jul 98			489.70	-1.20	2,380
Est. sales 8,000 Tue's sales 13,000					
Tue's open int 1, off 76,077					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	426.50	422.00	426.30	+3.50	10,267
Jan 98	416.40	411.00	416.20	+2.50	3,459
Apr 98	412.00	410.00	411.20	+2.50	429
Jul 98			407.20	+2.50	2
Est. sales N.A. Tue's sales 2,842					
Tue's open int 14,157, up 468					

LONDON METALS (LME)

Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1609.00	1610.00	1593.00	1594.00
Forward	1627.00	1628.00	1613.00	1614.00
Copper Cathodes (High Grade)				
Spot	2128½	2130½	2125.00	2127.00
Forward	2147.00	2148.00	2140.00	2142.00
Lead				
Spot	636.00	637.00	645.00	646.00
Forward	646.00	647.00	655.00	655½
Nickel				
Spot	6570.00	6580.00	6530.00	6540.00
Forward	6675.00	6680.00	6635.00	6640.00
Tin				
Spot	5430.00	5435.00	5470.00	5480.00
Forward	5475.00	5480.00	5510.00	5515.00
Zinc (Special High Grade)				
Spot	1635.00	1640.00	1658.00	1660.00
Forward	1454.00	1455.00	1478.00	1479.00

	High	Low	Close	Chge	Opint
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Sep 97	95.04	95.02	95.02	+0.01	2,993
Dec 97	94.86	94.84	94.84	unch.	3,844
Mar 98	94.80	94.79	94.79	-0.02	1,396
Est. sales N.A. Tue's sales 2,031					
Tue's open int 8,233, off 1,749					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	106-46	106-37	106-41	- 05	65,386
Dec 97	106-24	106-14	106-20	- 05	171,883
Est. sales N.A. Tue's sales 38,471					
Tue's open int 241,421, up 4,152					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	109-01	108-27	108-31	- 03	86,763
Dec 97	108-23	108-15	108-20	- 03	292,873
Mar 98	108-09	108-08	108-08	- 04	3,794
Est. sales N.A. Tue's sales 87,307					
Tue's open int 384,792, up 1,362					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	113-04	112-23	112-29	- 08	147,239
Dec 97	112-25	112-09	112-17	- 08	404,831
Mar 98	112-07	112-00	112-06	- 08	33,979
Jun 98			111-26	- 08	2,540
Est. sales N.A. Tue's sales 304,459					
Tue's open int 585,901, off 4,376					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	115-20	115-12	115-14	-0-01	7,216
Dec 97	115-04	114-26	114-30	Unch.	154,666
Mar 98	N.T.	N.T.	114-23	Unch.	
Est. sales: 35,520. Prev. sales: 84,862					
Prev. open int.: 161,882 up 4,643					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 97	101.85	101.64	101.78	+0.07	254,671
Mar 98	100.91	100.91	100.91	+0.10	196
Est. sales: 103,797. Prev. sales: 141,029					
Prev. open int.: 254,867 off 764					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	130.44	130.18	130.30	+ 0.06	132,662
Dec 97	99.22	98.96	99.08	+ 0.08	55,771
Mar 98	98.38	98.38	98.48	+ 0.08	25
Est. sales: 176,959.					
Open int.: 188,458 up 5,046.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 97	109.23	109.14	109.29	-0.22	106,659
Mar 98	N.T.	N.T.	109.24	-0.17	106,664
Est. sales: 53,437. Prev. sales: 50,224					
Prev. open int.: 106,664 off 847					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Sep 97	94.35	94.34	94.34	unch.	13,159
Oct 97	94.33	94.32	94.33	unch.	12,671
Nov 97	94.27	94.27	94.27	unch.	13,262
Est. sales N.A. Tue's sales 3,725					
Tue's open int 48,397, up 71					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Sep 97	94.27	94.26	94.26	unch.	490,320
Oct 97	94.19	94.18	94.18	unch.	11,839
Dec 97	94.09	94.06	94.08	unch.	542,479
Mar 98	93.99	93.95	93.96	-0.03	368,610
Jun 98	93.88	93.83	93.84	-0.03	278,303
Sep 98	93.78	93.73	93.75	-0.03	223,091
Dec 98	93.68	93.61	93.63	-0.03	193,707
Mar 99	93.63	93.59	93.61	-0.03	137,388
Jun 99	93.59	93.55	93.56	-0.04	105,801
Sep 99	93.54	93.50	93.52	-0.03	89,642
Dec 99	93.47	93.43	93.45	-0.03	77,153
Mar 00	93.46	93.43	93.45	-0.03	66,185
Est. sales N.A. Tue's sales 240,545					
Tue's open int 2,861,409, up 5,716					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.5940	1.5834	1.5858	-0.0038	37,523
Dec 97	1.5864	1.5766	1.5798	-0.0038	24,643
Mar 98	1.5770	1.5770	1.5746	-0.0036	212
Est. sales N.A. Tue's sales 21,269					
Tue's open int 62,379, up 5,178					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 97	.7228	.7217	.7218	-0.0010	30,534
Dec 97	.7265	.7254	.7255	-0.0010	29,964
Mar 98	.7297	.7288	.7288	-0.0009	973
Est. sales N.A. Tue's sales 17,348					
Tue's open int 61,756, off 545					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	.5575	.5507	.5554	+0.0041	84,499
Dec 97	.5608	.5538	.5587	+0.0041	37,019
Mar 98	.5640	.5608	.5621	+0.0042	1,716
Est. sales N.A. Tue's sales 51,429					
Tue's open int 123,409, off 3,518					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	.8435	.8372	.8383	-0.0023	66,573
Dec 97	.8548	.8475	.8492	-0.0023	58,459
Mar 98	.8630	.8607	.8607	-0.0023	700
Est. sales N.A. Tue's sales 72,281					
Tue's open int 125,821, up 2,148					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	.6781	.6703	.6756	+0.0035	30,547
Dec 97	.6855	.6775	.6829	+0.0038	27,736
Mar 98	.6903	.6889	.6900	+0.0039	1,132
Est. sales N.A. Tue's sales 28,878					
Tue's open int 59,626, off 9,005					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	.12847	.12810	.12847	+.00142	16,516
Dec 97	.12370	.12345	.12365	+.00106	17,877
Mar 98	.11925	.11902	.11915	+.00071	6,032
Est. sales N.A. Tue's sales 12,380					
Tue's open int 42,539, off 1,437					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.74	92.71	92.72	-0.01	100,411
Dec 97	92.65	92.62	92.63	-0.01	129,469
Mar 98	92.64	92.61	92.62	-0.01	107,679
Jun 98	92.66	92.63	92.64	-0.02	72,901
Sep 98	92.73	92.68	92.70	-0.02	59,487
Dec 98	92.81	92.77	92.78	-0.02	54,653
Mar 99	92.87	92.84	92.85	-0.01	47,815
Est. sales: 43,379. Prev. sales: 80,944					
Prev. open int.: 674,913 up 2,929					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 97	96.72	96.71	96.72	Unch.	191,049
Oct 97	96.64	96.63	96.64	+0.01	2,893
Nov 97	N.T.	N.T.	96.58	+0.01	400
Dec 97	96.53	96.51	96.51	Unch.	284,871
Mar 98	96.38	96.34	96.36	+0.02	279,428
Jun 98	96.17	96.13	96.16	+0.03	219,170
Sep 98	95.96	95.92	95.94	+0.03	157,717
Dec 98	95.70	95.66	95.69	+0.03	159,514
Mar 99	95.51	95.48	95.50	+0.03	136,861
Jun 99	95.34	95.31	95.33	+0.03	72,990
Est. sales: 158,047. Prev. sales: 193,149					
Prev. open int.: 1,663,937 off 11,235					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.60	96.59	96.59	Unch.	43,311
Dec 97	96.50	96.47	96.49	+ 0.02	42,406
Mar 98	96.35	96.32	96.34	+ 0.02	29,365
Jun 98	96.19	96.16	96.17	+ 0.02	24,879
Sep 98	95.99	95.96	95.98	+ 0.03	24,357
Est. sales: 49,032.					
Open int.: 245,661 off 2,923.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.19	93.16	93.18	Unch.	72,916
Dec 97	92.55	93.47	93.51	-0.02	105,926
Mar 98	94.02	93.95	93.97	-0.03	66,880
Jun 98	94.42	94.35	94.37	-0.03	57,338
Sep 98	94.64	94.57	94.61	Unch.	40,718
Dec 98	94.75	94.68	94.72	Unch.	30,409
Mar 99	94.68	94.61	94.66	Unch.	17,504
Jun 99	94.57	94.51	94.55	-0.01	9,584
Est. sales: 69,510. Prev. sales: 69,161					
Prev. open int.: 401,319 up 7,073					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	73.15	72.75	72.83	+0.04	6,723
Dec 97	73.20	72.80	72.90	unch.	48,540
Mar 98	74.45	72.40	74.20	-0.05	13,764
May 98	75.05	74.85	74.85	-0.03	6,064
Jul 98	75.65	75.40	75.40	-0.05	6,089
Est. sales N.A. Tue's sales 5,944					
Tue's open int 89,027, up 60					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Oct 97	52.97	51.40	51.57	-1.26	43,561
Nov 97	54.20	53.05	53.22	-0.97	26,271
Dec 97	55.40	54.35	54.47	-0.82	23,194
Jan 98	56.25	55.30	55.37	-0.67	21,635
Feb 98	56.50	55.75	55.77	-0.62	11,810
Mar 98	56.05	55.52	55.52	-0.42	7,897
Apr 98	55.00	54.40	54.52	-0.27	4,260
Est. sales N.A. Tue's sales 26,948					
Tue's open int 149,349, up 428					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Oct 97	19.63	19.35	19.42	unch.	88,072
Nov 97	19.71	19.51	19.57	-0.01	58,196
Dec 97	19.80	19.61	19.66	-0.01	53,066
Jan 98	19.85	19.68	19.71	-0.07	32,133
Feb 98	19.83	19.71	19.73	-0.01	16,180
Mar 98	19.77	19.75	19.75	-0.01	10,008
Est. sales N.A. Tue's sales 60,579					
Tue's open int 405,574, off 3,966					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Oct 97	2.730	2.670	2.700	+0.001	56,395
Nov 97	2.870	2.815	2.840	-0.002	28,363
Dec 97	2.955	2.910	2.935	+0.007	22,639
Jan 98	2.950	2.900	2.910	-0.011	22,799
Feb 98	2.675	2.650	2.660	unch.	15,583
Mar 98	2.410	2.390	2.400	unch.	10,491
Est. sales N.A. Tue's sales 44,444					
Tue's open int 226,729, up 1,344					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Oct 97	59.45	57.90	58.33	-1.16	40,581
Nov 97	57.20	56.35	56.69	-0.46	19,960
Dec 97	56.30	55.90	56.14	-0.31	14,892
Jan 98	56.30	55.90	56.14	-0.26	12,932
Feb 98	56.55	56.54	56.54	-0.21	3,879
Mar 98			57.14	-0.16	5,027
Apr 98			59.84	-0.16	2,665
May 98			59.69	-0.16	1,010
Est. sales N.A. Tue's sales 23,322					
Tue's open int 103,164, up 257					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 97	161.25	161.50	161.25	+2.50	8,959
Oct 97	162.75	163.00	162.75	+2.50	25,183
Nov 97	164.75	165.00	165.00	+2.00	13,630
Dec 97	168.50	166.75	167.00	+1.75	16,140
Jan 98	170.25	168.50	168.50	+1.75	11,355
Feb 98	169.50	168.75	169.00	+1.00	6,602
Mar 98	168.25	168.25	168.00	+0.50	3,222
Est. sales: 30,000. Prev. sales: 16,029					
Prev. open int.: 94,524 up 1,665					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Oct 97	18.48	18.28	18.30	+2.00	52,968
Nov97	18.56	18.38	18.39	Unch.	53,261
Dec97	18.61	18.48	18.49	-3.00	20,247
Jan98	18.67	18.53	18.55	-4.00	17,538
Feb98	18.68	18.54	18.56	-6.00	6,874
Mar98	18.60	18.50	18.50	-6.00	3,693
Est. sales: 44,500. Prev. sales: 35,647					
Prev. open int.: 165,122 up 3,168					
Stock Indexes					
SP COMP INDEX (CMER) 500 x index					
Sep 97	934.50	918.50	918.75	-15.25	138,564
Dec 97	942.50	928.75	928.75	-15.20	69,835
Mar 98	950.10	950.10	950.10	-4.25	2,353
Est. sales N.A. Tue's sales 88,591					
Tue's open int 211,551, off 1,059					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	4970.0	4966.0	4902.0	-50.0	57,470
Dec 97	5030.5	5016.0	4962.5	-50.5	20,984
Mar 98	N.T	N.T	5005.0	-50.0	1,810
Est. sales: 19,379. Prev. sales: 22,243					
Prev. open int.: 80,184 up 2,107					
CAC 40 (MATIF) FF200 per index point					
Sep 97	2936.0	2870.0	2878.0	- 45.0	41,790
Oct 97	2936.5	2876.0	2884.5	- 45.0	1,603
Nov 97	2944.5	2897.0	2892.0	- 45.5	1,082
Dec 97	2956.5	2896.0	2899.5	- 46.0	3,374
Mar 98	2941.0	2925.0	2923.0	- 46.5	10,538
Est. sales: 22,383.					
Open int.: 69,737 up 1,064.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,583.50
Reuters	1,934.90	1,937.70
D.J. Futures	149.79	149.99
CRB	242.27	242.30

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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EUROPE

Share Issue Planned by Bank in Germany

Compiled by Our Staff From Dispatches

FRANKFURT — Commerzbank AG said Wednesday that it would sell 30 million shares to finance a "controlled buildup of investment banking."

The bank said it would issue the shares in October in a rights offering expected to raise about 1.5 billion Deutsche marks ($825.9 million).

One new share will be offered for every 14 held, and the subscription period will be Oct. 14 to 28.

Commerzbank shares finished down 2.25 DM at 62 after the announcement of the sale.

The move is aimed at raising Commerzbank's capital base and filling its war chest for a possible acquisition, especially in investment banking, the company said.

The issue price will be set at the start of October, and shares that were held as of July 1 will be entitled to dividend payments.

The capital increase is aimed at keeping pace with the sharp expansion of the company's business volume, which has risen 17 percent this year, to 530 billion DM.

The announcement contradicted a May announcement in which Commerzbank said it had no plans for a capital increase. Commerzbank repeatedly said it would concentrate on internal growth rather than acquisitions to increase investment banking.

(Reuters, Bloomberg)

France Telecom Profit Up Ahead of Sale

Compiled by Our Staff From Dispatches

PARIS — France Telecom, which is being geared up for a partial privatization, said Wednesday its profit rose 41 percent to 8.9 billion francs ($1.5 billion) in the first half of 1997.

Chairman Michel Bon hailed the government's plan to sell 20 percent of the state telecommunications company on the stock market in October, and he predicted a profit of more than 14.5 billion francs for the year.

"I'm delighted by a decision that will allow France Telecom to take on its rivals on an equal footing," he said, referring to the share sale.

But officials of the Communist-led CGT union said Wednesday that unions at France Telecom were discussing protests over the planned privatization, including a possible strike, and said Tuesday had been suggested as a possible strike date.

"Things are under way," said Jean-Pierre Delezenne, one of three CGT administrators representing workers on the board of France Telecom. "There are contacts between the unions. Sept. 16 has been suggested as a date."

The first-half profit, up from 6.3 billion francs in the like period of 1996, came with the help of a 1.1 billion-franc capital gain from the sale of France Telecom's 7.5 percent stake in the mobile-telephone operator Cofira. Sales rose 2.3 percent, to 76.8 billion francs. Operating profit fell 1.1 percent, to 16.6 billion francs, mainly because of a cut in rates that was aimed at increasing business, it said.

Finance Minister Dominique Strauss-Kahn revealed plans Monday to offer 20 percent of France Telecom to domestic and foreign investors and to sell an additional 3 percent or 4 percent to employees and to retired postal and telecommunications workers.

The aim is to put a value on France Telecom that will later allow it to link with Deutsche Telekom, with each one taking 7.5 percent of the other, he said. France will give a price range for shares Sept. 22, and France Telecom said it would begin presentations worldwide Sept. 23, when investors will be able to start reserving shares. On Oct. 6, the price will be set, and investors can start making firm orders.

Shares are to trade in Paris and New York on Oct. 20. Mr. Bon said shares would be offered to small investors at 5 francs less than the price proposed to institutional investors.

Separately, the European Commission welcomed the partial privatization.

The EU research commissioner, Edith Cresson, and competition commissioner, Karel Van Miert, said the move was "essential to ensure the company's competitiveness" and was evidence of "economic realism" in the face of growing competition in a global market.

(Reuters, AFX, Bloomberg)

Bonn Edges Closer to Euro Goal

Compiled by Our Staff From Dispatches

BONN — The German budget deficit shrank to 3.1 percent of GDP in the first half of 1997, from 3.4 percent in the same period last year, according to provisional figures released Wednesday, bringing the deficit closer to the 3 percent required for qualification in the first stage of European currency union.

The government insists that it will meet this goal, with faster growth compensating for the cost of high unemployment and lower-than-forecast tax receipts.

The government's Federal Statistics Office also said Wednesday that it had revised downward its calculation for the budget deficit for the whole of 1996, to 3.5 percent, from a March figure of 3.8 percent.

Meanwhile, in Brussels, Jacques Santer, president of the European Commission, said a "substantial number" of European countries would switch to the common currency on schedule in 1999.

Mr. Santer said the recovery of European economies, combined with governments' determination to cut their budget deficits, would allow many of the European Union's 15 countries to meet the deficit limits required for users of the euro.

He added that the commission, the EU's executive agency, had not been distracted by talk over delaying the project. Some German politicians have called for a postponement to give the EU more time to get its economy in shape.

EU leaders will pick the starting group for the monetary union in April or May 1998, based on 1997 economic performance and the outlook for future years.

Other figures released Wednesday showed that German GDP grew 1.0 percent in the second quarter of the year from the first quarter, on a seasonally adjusted basis.

On a year-on-year comparison, GDP was 2.9 percent higher than in the second quarter of 1996, after a revised 1.1 percent rise in the first quarter, the statistics office said.

The office said that the export economy was "once again the main plank of the economy," though investment in plant and machinery equipment increased, too.

Second-quarter GDP in Western Germany, which accounts for nine-tenths of the German economy, was up 0.8 percent in the second quarter and rose 2.1 percent from a year earlier. The economy of the five Eastern states increased 2.5 percent in the quarter and rose 1.1 percent from a year earlier.

Exports grew 13.7 percent in real terms in the second quarter, compared with the similar period a year ago, while imports increased far more slowly, up 7.8 percent.

But there is little evidence that export-sparked growth has reanimated the domestic economy. Falling business confidence among retailers and builders and plunging domestic orders for capital goods suggest the domestic economy may lose out on the export boom for months to come.

(AFP, Bloomberg)

Philips Gains License to Use Psion's System

Bloomberg News

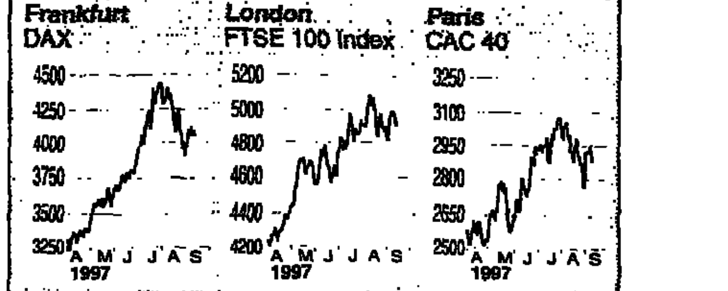
LONDON — Psion PLC named Philips Electronics NV on Wednesday as the first licensee of the operating system the British company uses in its handheld computers, raising hopes that its technology may become an industry standard.

The Dutch consumer-electronics giant will make a range of data and messaging devices based on Psion's EPOC32 system. The first, a phone that can send and receive fax messages and electronic mail and link to the Internet, will be marketed in America at the end of the year and in Europe early next year.

Psion's shares rose 17 pence at close at 419.5 ($6.67).

Psion has said its other "major" licensees have requested that they not be identified.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	877.56	895.17	-1.97
Brussels	BEL-20	2,363.77	2,405.42	-1.73
Frankfurt	DAX	4,050.14	4,094.39	-1.08
Copenhagen	Stock Market	611.37	610.24	+0.19
Helsinki	HEX General	3,435.04	3,442.70	-0.22
Oslo	OBX	701.35	704.72	-0.48
London	FTSE 100	4,905.20	4,950.50	-0.92
Madrid	Stock Exchange	589.72	593.90	-0.70
Milan	MIBTEL	14543	14677	-0.91
Paris	CAC 40	2,874.57	2,919.72	-1.55
Stockholm	SX 16	3,377.24	3,402.19	-0.73
Vienna	ATX	1,371.11	1,394.06	-1.65
Zurich	SPI	3,458.89	3,504.98	-1.31

Source: Telekurs — International Herald Tribune

Very briefly:

- **Thuraya Satellite Telecommunications Co. of Abu Dhabi** said it was signing a contract with **Hughes Electronics Corp.** for a $1 billion satellite system to extend mobile telecommunications across the Arab world.
- **Bouygues Offshore** said its chairman, Ivan Replumaz, and a managing director, Herve Le Bouc, had been placed under investigation in an inquiry opened a year ago.
- **Bayerische Vereinsbank AG** is buying from **Groupe des Banques Populaire** of France the 51 percent stake of **Banque Internationale de Credit & Gestion Monaco** it does not already own. Terms were not disclosed.
- **Compagnie Financiere de Paribas's** first-half net profit excluding asset sales rose 13 percent, to 3.37 billion French francs ($552.4 million), on higher investment income.
- **Telecom Italia Mobile SpA's** first-half net profit rose 40 percent, to 614.7 billion lire ($348.4 million), as Europe's largest cellular-phone company added 1.26 million subscribers to increase its client base by 22 percent.
- **Deutsche Lufthansa's** new sales distribution strategy will involve no layoffs, the airline said, contradicting a report in a German magazine.

Reuters, Bloomberg

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	172.19	-1.65	–0.95	+15.46
Regional Indexes				
Asia/Pacific	122.07	-0.72	–0.59	–1.10
Europe	182.13	-1.38	–0.75	+12.98
N. America	205.25	-2.89	–1.39	+26.77
S. America	167.25	-1.47	–0.87	+46.16
Industrial Indexes				
Capital goods	220.14	-4.71	–2.09	+28.80
Consumer goods	186.51	-2.13	–1.13	+15.54
Energy	200.98	-1.62	–0.80	+17.73
Finance	128.25	-0.72	–0.56	+10.12
Miscellaneous	183.65	-1.75	–0.94	+13.52
Raw Materials	186.58	-0.14	–0.07	+6.39
Service	163.57	-0.91	–0.55	+19.12
Utilities	169.12	-0.86	–0.51	+17.89

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Wednesday, Sept. 10

Prices in local currencies.

Telekurs

Amsterdam

AEX index: 877.56 Previous: 895.17

	High	Low	Close	Prev.
ABN-AMRO	41.20	39	39.50	40.80
Aegon	155	151.70	151.60	154.50
Ahold	52.70	50.20	50.50	51.70
Akzo Nobel	326.10	318	319.80	326.30
Baan Co.	129	125.50	128.50	125.20
Bols Wess cva	34.50	32.60	32.60	34.30
CSM cva	95	93.70	94.80	94.80
Dordtsche Pet	110	106.80	107.50	108
DSM	192	189	189.40	191.90
Elsevier	32.10	31.40	31.60	32
Fortis Amev	85.30	81.40	81.70	84.70
Getronics	60	59	59.80	58.90
G-Broc cva	55.10	53.70	54	54.90
Hagemeyer	103	100.20	100.90	102.50
Heineken	319.30	311.10	313	319
Hoogovens cva	120.50	117.30	117.80	119.70
Hunt Douglas	90.50	86.20	88.40	89.70
ING Group	92.40	90.20	90.80	92
KLM	74.50	72	72.10	73.70
KNP BT	43.70	42.40	42.60	43.50
KPN	73.40	71.10	71.60	72.50
Nedlloyd Gp	62.90	60.50	61.60	61.90
Nutricia	61.80	59.60	59.60	61.70
Oce Grinten	240.50	232	232	239
Philips Elec	152.80	146.50	148.30	152.40
Polygram	109.50	107.50	107.50	108.40
Randstad Hdg	86.60	83.10	84	84.80
Robeco	195.30	194.60	194.60	195
Rodamco	62.30	61.20	61.30	62
Rolinco	195.80	195	195	195
Rorento	117.90	117.60	117.60	117.70
Royal Dutch	109.50	106.10	106.80	108.10
Unilever cva	435	423.60	424.20	432
Vendex Intl	114.30	110.10	114.10	110.20
VNU	44	43.30	43.60	43.60
Wolters Kl cva	244.50	238	238	243.50

Bangkok

SET index: 541.55 Previous: 545.01

	High	Low	Close	Prev.
Adv Info Svc	220	212	216	220
Bangkok Bk F	178	175	175	179
Krung Thai Bk	26.75	24.25	24.50	26.75
PTT Explor	404	382	382	406
Siam Cement F	648	550	600	652
Siam Com Bk F	109	105	108	109
Telecomasia	32.50	29.50	30	32.75
Thai Airways	49.75	46	46	49
Thai Farm Bk F	114	102	105	113
Utd Comm	128	121	123	128

Bombay

Sensex 30 index: 4045.41 Previous: 4031.55

	High	Low	Close	Prev.
Bajaj Auto	855	832	845	838.25
Hindust Lever	1447.50	1389	1438.25	1384
Hindust Petlm	497	484	495.75	490
Ind Dev Bk	105.75	105	105.50	107.25
ITC	553	541	551	546.50
Mahanagar Tel	271.50	264	269.75	265.75
Reliance Ind	343.75	340	343	342.25
State Bk India	289	283.50	285.75	289.50
Steel Authority	19.50	18	18.25	19.50
Tata Eng Loco	354.75	346	353.50	354

Brussels

BEL-20 index: 2363.77 Previous: 2405.42

	High	Low	Close	Prev.
Almanij	1670	1625	1640	1650
Barco Ind	7630	7500	7510	7640
BBL	9480	9300	9350	9510
CBR	3150	3050	3110	3150
Colruyt	17900	17500	17550	17725
Delhaize Lion	1725	1685	1690	1695
Electrabel	7620	7500	7510	7600
Electrafina	3515	3475	3480	3515
Fortis AG	7350	7070	7070	7280
Gevaert	3340	3200	3200	3395
GBL	5880	5600	5650	5870
Gen Banque	14575	14225	14300	14500
Kredietbank	14850	14100	14375	14700
Petrofina	14100	13600	13800	14050
Powerfin	4920	4900	4900	4915
Royale Belge	10475	10025	10275	10400
Soc Gen Belg	3440	3230	3320	3435
Solvay	2170	2100	2120	2165
Tractebel	14850	14750	14275	14800
UCB	122950	121300	121300	122150

Copenhagen

Stock index: 611.37 Previous: 610.24

	High	Low	Close	Prev.
BG Bank	376	372	375	375
Carlsberg B	347	342	344	340.84
Codan Fors	930	919	930	920
Danisco	376	370	370	372
Den Danske Bk	666	655	657	656
D/S Svendbrg B	422000	420000	421000	424424
D/S 1912 B	292000	284000	284000	295000
FLS Ind B	202	198	200	200
Kob Lufthavne	755.76	753	755.76	752
Nvo Nordisk B	689	675	680	685.69
Sophus Ber B	995	984	990	985
Tele Danmk B	379	369	370	376
Tryg Baltica	394	384	391	390
Unidanmark A	407.23	399	406	400

Frankfurt

DAX: 4050.14 Previous: 4094.39

	High	Low	Close	Prev.
AMB B	1680	1675	1675	1685
Adidas	218.50	217.50	218	219
Allianz Hdg	414	410	413	417.50
Altana	126.40	123.50	124	124.90
Bk Berlin	44.50	44.20	44.40	44.80
BASF	64.80	64	64	63.95
Bayer Hypo Bk	69.10	68.15	69.10	69.25
Bay.Vereinsbank	102	99.30	99.30	97.10
Bayer	71.10	69.85	70	70
Beiersdorf	80.40	79.10	80	80.30
Bewag	39.70	38.70	39	39.50
BMW	1388	1364	1366	1332
CKAG Colonia	164.50	161	162	166
Commerzbank	62.60	61.70	62	64.25
Daimler Benz	141.20	136.50	137	139.85
Degussa	97.10	95.50	96.20	95.10
Deutsche Bank	109	107.50	108.05	110.70
Dt Telekom	37.95	37.10	37.15	37.60
Dresdner Bank	77.90	76.80	76.80	77.50
Fresenius	303	300	301.50	300
Fresenius Med	132	130.20	130.20	132.50
Fried. Krupp	391	382.50	383.50	390
Gehe	108	107.50	108	108
Heidelbg Zmt	150	147	149.50	146.50
Henkel pfd	103.60	101.70	101.70	102
HEW	475	475	475	475
Hochtief	86	84.50	85	85.20
Hoechst	79	77.50	77.60	78.50
Karstadt	657	650	654	658
Lahmeyer	88.50	88.40	88.40	89
Linde	1265	1215	1215	1240
Lufthansa	38	37.50	37.85	37.85
MAN	532	516	516	531.50
Mannesmann	876	861.50	862	881.50
Metallgesellschaft	41.50	40.50	40.80	41
Metro	87.30	83.20	83.50	84.60
Munch Rueck R	615	604	607	608.50
Preussag	493	485	487.50	499.50
RWE	85.30	84.10	84.65	84.70
SAP pfd	427.80	424.20	425.50	428
Schering	186.50	181	181.30	185
SGL Carbon	242	237	241	239
Siemens	116	113.80	115.20	116.75
Springer (Axel)	1500	1500	1500	1515
Suedzucker	869	869	869	863
Thyssen	428.50	423	425	430.50
Veba	100.80	99.50	100.10	101
VEW	560	560	560	577
Viag	792	785.50	786	785
Volkswagen	1186	1160	1165	1187

Helsinki

HEX General index: 3435.04 Previous: 3442.70

	High	Low	Close	Prev.
Enso A	48	47.70	48	47.70
Huhtamaki I	218	218	218	217
Kemira	49.40	46.70	46.70	48.50
Kesko	72.50	71.30	71.50	71.50
Merita A	22.70	22.30	22.40	22.10
Metra B	158.50	155.50	155.70	158.50
Metsa-Serla B	46	45	45.50	45
Neste	138.50	136	136	138.50
Nokia A	459	448	449.60	452
Orion-Yhtymae	175	173	174	175
Outokumpu A	91	90	90	91
UPM-Kymmene	132.50	130	132	129
Valmet	81	79	79.50	80.90

Hong Kong

Hang Seng: 14805.44 Previous: 14996.66

	High	Low	Close	Prev.
Amoy Props	7.95	7.75	7.80	8
Bk East Asia	28.15	27.90	28	28.10
Cathay Pacific	13.30	12.90	13	13.15
Cheung Kong	87.25	86	87	87
CK Infrastruct	24.70	24.40	24.40	24.40
China Light	43.50	42	42.60	43.10
Citic Pacific	47.50	46	46.20	46.40
Dao Heng Bk	39.10	37.60	38	38.40
First Pacific	8.55	8.15	8.35	8.05
Hang Lung Dev	14.25	14.05	14.10	14.15
Hang Seng Bk	97	95	96	96.50
Henderson Inv	8.95	8.75	8.75	8.95
Henderson Ld	67.75	65.75	66.50	67.50
HK China Gas	16.50	15.55	15.60	16.20
HK Electric	29.70	29.30	29.30	29.75
HK Telecomm	18	17.35	17.50	17.85
Hopewell Hdgs	4.55	4.38	4.40	4.47
HSBC Hdgs	239	234	235	238
Hutchison Wh	75	72.50	73.25	74.75
Hysan Dev	23.90	23.50	23.60	23.90
Johnson El Hdg	21.20	21	21.20	21
Kerry Props	19	18.85	18.85	18.80
New World Dev	49.80	47.70	48.70	49.60
Oriental Press	2.65	2.58	2.60	2.60
Pearl Oriental	1.31	1.23	1.24	1.25
SHK Props.	91	89.25	90	90.25
Shun Tak Hdgs	4.63	4.53	4.58	4.53
Sino Land Co.	7.35	7.15	7.30	7.30
Sth China Post	6.80	6.35	6.35	6.80
Swire Pac A	67	65.25	65.50	67
Wharf Hdgs	29.40	28.50	28.60	29.05
Wheelock	17.20	16.35	16.40	16.90

Jakarta

Composite index: 575.82 Previous: 598.80

	High	Low	Close	Prev.
Astra Intl	4000	3700	3725	4000
Bk Intl Indon	1075	1000	1050	1050
Bk Negara	1100	1025	1025	1100
Gudang Garm	10350	9975	10125	10400
Indocement	2725	2500	2525	2725
Indofood	4150	4000	4025	4150
Indosat	8050	7800	7850	8325
Sampoerna HM	8900	8350	8375	8975
Semen Gresik	3625	3450	3500	3675
Telekomunikasi	3800	3550	3600	3750

Johannesburg

All Market: 7311.32 Previous: 7353.32

	High	Low	Close	Prev.
Amalgamtd Bks	31.55	31.30	31.30	31.50
AngloAm Coal	271	271	271	271.50
AngloAm-Corp	252.50	249.75	250.50	250
AngloAm Gold	244	242	242.50	244
AngloAm Ind	193.75	190	192	194.25
AVMIN	13	12.85	12.90	13
Barlow	57	56.25	56.50	57
C.G. Smith	24.35	24.20	24.20	24.20
De Beers	148	144.50	144.50	148
Driefontein	32.25	31.75	32	32.55
Fst Natl Bk	40	39.25	39.25	39.25
Gencor	12.30	11.90	11.90	12.20
GFSA	101.50	101.50	101.50	101.50
Imperial Hdgs	63	62.50	62.75	63
Ingwe Coal	23.20	23	23.20	23.20
Iscor	3.16	3.12	3.14	3.16
Johnnies Indl	65.25	64.50	65.25	65
Liberty Hdgs	386	385	385	384
Liberty Life	142.50	141.50	141.75	142.75
LibLife Strat	16.85	16.75	16.85	16.75
Minorco	98.50	98	98.25	97.25
Nampak	19	18.50	18.50	19.20
Nedcor	98	97	97.50	99
Rembrandt Gp	44.50	44	44	44.75
Richemont	64.25	63	63	64.25
Rust Platinum	81	80	80	80
SA Breweries	136.25	134	134.25	136
Samancor	39.10	39	39.10	39
Sasol	63.75	61	61.75	64
SBIC	210	209	210	209.50
Tiger Oats	72.50	71.50	72.50	71.25

Kuala Lumpur

Composite: 863.08 Previous: 888.75

	High	Low	Close	Prev.
AMMB Hdgs	10.70	10	10.30	10.60
Genting	10.90	10.60	10.90	10.90
Mal Banking	18.90	18.30	18.40	19
Mal Intl Ship F	5.55	5.45	5.50	5.55
Petronas Gas	9.50	9.35	9.40	9.45
Proton	9.90	9.35	9.40	9.90
Public Bk	3.08	2.96	2.99	3.08
Renong	3.32	3.26	3.30	3.32
Resorts World	7.20	7	7.10	7.15
Rothmans PM	27.25	26	26	26.50
Sime Darby	7.50	7.05	7.10	7.60
Telekom Mal	10.30	9.70	9.80	10.30
Tenaga	9.40	8.90	9	9.35
Utd Engineers	14	13	13.20	14
YTL	6.95	6.35	6.45	6.80

London

FT-SE 100: 4905.20 Previous: 4950.50

	High	Low	Close	Prev.
Abbey Natl	8.68	8.53	8.55	8.60
Allied Domecq	4.69	4.62	4.64	4.68
Anglian Water	8.12	8	8.04	8.07
Argos	6.57	6.45	6.46	6.43
Asda Group	1.46	1.42	1.43	1.43
Assoc Br Foods	5.26	5.18	5.26	5.24
BAA	5.88	5.51	5.51	5.53
Barclays	14.60	14.27	14.29	14.48
Bass	8.40	8.31	8.31	8.36
BAT Ind	5.29	5.20	5.21	5.28
Bank Scotland	4.38	4.25	4.27	4.37
Blue Circle	3.92	3.81	3.83	3.88
BOC Group	10.56	10.45	10.54	10.46
Boots	8.17	8.05	8.07	8.12
BPB Ind	3.61	3.59	3.60	3.60
Brit Aerosp	15.65	15.53	15.54	15.59
Brit Airways	6.72	6.55	6.66	6.57
BG	2.70	2.64	2.64	2.68
Brit Land	5.94	5.36	5.89	5.91
Brit Petm	9.08	8.86	8.92	9.07
BSkyB	4.72	4.63	4.64	4.70
Brit Steel	1.73	1.71	1.73	1.72
Brit Telecom	4.09	4.01	4.01	4.09
BTR	2.21	2.11	2.18	2.14
Burmah Castrol	11.05	10.85	10.93	11.06
Burton Gp	1.21	1.20	1.21	1.20
Cable Wireless	5.50	5.33	5.34	5.46
Cadbury Schw	5.96	5.84	5.88	5.93
Carlton Comm	4.95	4.79	4.88	4.80
Coml Union	7.54	7.45	7.47	7.50
Compass Gp	6.07	5.80	5.91	6.03
Courtaulds	3.11	3.07	3.10	3.08
Dixons	6.37	6.33	6.35	6.31
Electrocomponents	4.90	4.80	4.82	4.90
EMI Group	6	5.75	5.75	5.76
Energy Group	6.35	6.28	6.33	6.29
Enterprise Oil	7.03	6.91	6.93	7.07
Fam Colonial	1.74	1.73	1.74	1.74
Genl Accident	9.45	9.21	9.22	9.40
GEC	4	3.92	3.96	3.97
GKN	12.92	12.76	12.85	12.95
Glaxo Wellcome	12.98	12.40	12.44	12.83
Granada Gp	8.12	8.02	8.04	8.09
Grand Met	5.84	5.75	5.76	5.80
GRE	2.82	2.75	2.76	2.78
Greenalls Gp	4.78	4.72	4.72	4.78
Guinness	5.66	5.56	5.56	5.61
GUS	6.62	6.53	6.58	6.57
Hays	6.51	6.44	6.49	6.44
HSBC Hldgs	19.26	18.90	19	19.30
ICI	10.14	10	10.11	10.08
Impl Tobacco	3.97	3.92	3.95	3.95
Kingfisher	7.67	7.53	7.53	7.63
Ladbroke	2.55	2.49	2.51	2.52
Land Sec	8.99	8.94	8.95	8.99
Lasmo	2.69	2.65	2.66	2.67
Legal Genl Grp	4.68	4.60	4.67	4.60
Lloyds TSB Gp	7.41	7.21	7.28	7.36
LucasVarity	2.16	2.10	2.14	2.11
Marks Spencer	5.96	5.85	5.85	5.94
MEPC	4.77	4.73	4.73	4.76
Mercury Asset	12.55	12.20	12.25	12.52
National Grid	2.68	2.63	2.66	2.65
Natl Power	5.68	5.55	5.57	5.63
NatWest	8.31	8.11	8.22	8.14
Next	7.80	7.64	7.64	7.76
Norwich Union	3.53	3.24	3.41	3.47
Orange	2.16	2.12	2.13	2.16
P&O	6.80	6.63	6.67	6.73
Pearson	7.62	7.45	7.53	7.48
Pilkington	1.46	1.42	1.43	1.45
PowerGen	7.82	7.73	7.80	7.76
Premier Farnell	5.39	5.30	5.33	5.37
Prudential	6.42	6.30	6.33	6.37
Railtrack Gp	7.74	7.57	7.63	7.57
Rank Group	3.59	3.48	3.51	3.56
Reckitt Colm	9.80	9.65	9.72	9.65
Redland	2.94	2.86	2.88	2.94
Reed Intl	5.80	5.68	5.68	5.78
Rentokil Initial	2.29	2.26	2.27	2.26
Reuters Hdgs	6.81	6.63	6.70	6.67
Rexam	3.03	2.93	2.99	2.96
RTZ reg	10.28	10.15	10.27	10.09
RMC Group	10.43	10.24	10.25	10.40
Rolls Royce	2.30	2.21	2.25	2.30
Royal Bk Scot	6.18	6.02	6.12	5.99
Royal & Sun All	5.22	5.10	5.11	5.16
Safeway	4.02	3.92	3.96	3.92
Sainsbury	4.32	4.25	4.26	4.18
Schroders	18.05	17.77	17.85	18.10
Scot Newcastle	7.47	7.38	7.39	7.42
Scot Power	4.72	4.60	4.60	4.69
Securicor	2.65	2.61	2.61	2.64
Severn Trent	8.62	8.55	8.57	8.57
Shell Transp R	4.43	4.36	4.37	4.34
Siebe	11.87	11.68	11.81	11.67
Smith Nephew	1.87	1.85	1.87	1.85
SmithKline	5.52	5.29	5.42	5.51
Smiths Ind	8.67	8.60	8.63	8.60
Sthern Elec	4.65	4.57	4.58	4.63
Stagecoach	6.75	6.66	6.75	6.71
Stand Charter	8.14	7.94	8.12	8.05
Tate & Lyle	4.07	3.98	4.05	4.04
Tesco	4.38	4.30	4.37	4.28
Thames Water	8	7.88	7.94	7.91
3i Group	4.96	4.91	4.96	4.91
TI Group	6.20	6.08	6.13	6.11
Tomkins	3.20	3.09	3.18	3.10
Unilever	17.98	17.63	17.65	18.11
Utd Assurance	4.42	4.35	4.35	4.37
Utd News	7.48	7.30	7.46	7.16
Utd Utilities	7.20	6.83	6.83	6.90
Vendome Lx uts	4.74	4.64	4.74	4.65
Vodafone	3.19	3.10	3.11	3.24
Whitbread	8.07	7.95	7.95	8.04
Williams Hdgs	3.75	3.58	3.60	3.72
Wolseley	4.77	4.65	4.71	4.63
WPP Group	2.83	2.78	2.79	2.79
Zeneca	19.35	19.08	19.10	19.17

Madrid

Bolsa index: 589.72 Previous: 593.90

	High	Low	Close	Prev.
Acerinox	24950	24470	24600	24450
ACESA	1915	1885	1915	1895
Aguas Barcelon	5680	5610	5650	5720
Argentaria	7800	7670	7700	7770
BBV	4215	4125	4140	4195
Banesto	1485	1450	1460	1470
Bankinter	8200	8030	8030	8250
Bco Centro Hisp	5900	5790	5820	5930
Bco Popular	8970	8800	8860	8980
Bco Santander	4370	4260	4260	4320
CEPSA	4460	4390	4430	4470
Continente	3040	2900	2930	3050
Corp Mapfre	8540	8400	8460	8540
Endesa	3225	3125	3160	3185
FECSA	1215	1200	1200	1220
Gas Natural	7340	7110	7120	7280
Iberdrola	1770	1740	1760	1750
Pryca	2745	2650	2685	2730
Repsol	6220	6130	6160	6180
Sevillana Elec	1370	1355	1370	1350
Tabacalera	8270	8170	8190	8250
Telefonica	4325	4275	4295	4310
Union Fenosa	1230	1215	1225	1220
Valenc Cement	2850	2835	2835	2835

Manila

PSE index: 2212.77 Previous: 2228.86

	High	Low	Close	Prev.
Ayala B	15.75	15	15.25	15.50
Ayala Land	18.75	18	18.50	18.75
Bk Philip Isl	126	119	125	123
C&P Homes	4.25	3.95	4.05	4.30
Manila Elec A	78.50	76	78	78
Metro Bank	400	387.50	397.50	387.50
Petron	4.95	4.85	4.85	4.95
PCIBank	162	160	161	161
Phil Long Dist	890	880	880	880
San Miguel B	58	55	57.50	56.50
SM Prime Hdg	7.10	6.90	7.10	7.20

Mexico

Bolsa index: 4861.77 Previous: 4937.96

	High	Low	Close	Prev.
Alfa A	63.80	63.30	63.50	63.80
Banacci B	22.75	22.30	22.35	22.80
Cemex CPO	39.05	38.50	38.70	39.00
Cifra C	14.72	14.48	14.50	14.72
Emp Moderna	40.85	39.35	39.40	40.80
Gpo Carso A1	61.50	60.20	60.20	60.80
Gpo F Bcomer	3.44	3.34	3.37	3.44
Gpo Fin Inbursa	33.00	32.95	32.95	33.00
Kimb Clark Mex	36.50	36.00	36.15	36.70
Televisa CPO	144.30	143.40	143.50	145.40
TelMex L	18.52	18.14	18.22	18.56

Milan

MIB Telematico: 14543.00 Previous: 14677.00

	High	Low	Close	Prev.
Alleanza Assic	14880	14700	14715	14800
Bca Comm Ital	4610	4545	4600	4625
Bca Fideuram	6200	6105	6160	6200
Bca di Roma	1665	1625	1635	1665
Benetton	27450	27150	27450	27400
Credito Italiano	3580	3495	3540	3590
Edison	8410	8305	8380	8410
ENI	10040	9925	9930	10030
Fiat	5715	5550	5550	5660
Generali Assic	38000	37650	37750	37850
IMI	17140	16700	16785	17140
INA	2625	2600	2600	2620
Italgas	5600	5490	5510	5535
Mediaset	8040	7930	7980	8000
Mediobanca	12230	11950	12200	12200
Montedison	1167	1152	1157	1158
Olivetti	906	860	878	851
Parmalat	2735	2685	2705	2725
Pirelli	4745	4640	4640	4730
RAS	14800	14610	14770	14730
Rolo Banca	23100	22150	22150	22650
S Paolo Torino	12990	12650	12700	13000
Telecom Italia	11220	10805	10860	11130
TIM	6295	6095	6095	6250

Montreal

Industrials index: 3594.20 Previous: 3615.42

	High	Low	Close	Prev.
Bce Mob Com	51¼	51	51	51
Cdn Tire A	27.65	27.55	27.60	27.55
Cdn Util A	37½	37.45	37½	37½
CT Finl Svc	43.20	43.20	43.20	43.70
Gaz Metro	18½	18¼	18.45	18.45
Gt-West Lifeco	32½	32¼	32¼	32½
Imasco	39½	39.05	39.05	39.45
Investors Grp	34½	33.90	34.40	33¾
Loblaw Cos	21	20¾	21	20.70
Natl Bk Canada	18.15	17.90	18.15	18
Power Corp	39.10	38.80	38.85	39
Power Finl	37.40	36.85	36.85	37.45
Quebecor B	26.90	26.70	26.90	26¾
Rogers Comm B	9.20	9.20	9.20	9.65
Royal Bk Cda	66.20	65.60	65.60	66

Oslo

OBX index: 701.35 Previous: 704.72

	High	Low	Close	Prev.
Aker A	128	127	127.50	127
Bergesen Dy A	200	198	198	202.50
Christiania Bk	25.30	24.60	24.60	25.10
Den norske Bk	30.30	30	30	30.10
Elkem	122.50	130	131	132
Hafslund A	45	45	45	45
Kvaerner Asa	403	395	396	390
Norsk Hydro	435	427	428	432.50
Norske Skog A	272	269	269	271
Nycomed A	162	161	161	160
Orkla Asa A	589	583	585	587
Petlm GeoSvc	466	461.50	464	461
Saga Petlm A	158.50	155.50	156	158
Schibsted	124	122	122	123.50
Transocean Off	670	670	670	690
Storebrand Asa	53.50	52.50	53.50	53

Paris

CAC-40: 2874.57 Previous: 2919.72

	High	Low	Close	Prev.
Accor	964	941	964	958
AGF	232.40	225.20	229.40	230
Air Liquide	926	911	912	925
Alcatel Alsth	807	786	789	805
Axa-UAP	397.80	387.20	388.70	396.50
Bancaire	730	711	715	741
BIC	430.90	410.20	414	424.50
BNP	288	278.50	279.10	288
Canal Plus	1051	1027	1034	1045
Carrefour	3555	3500	3500	3532
Casino	339.10	331.70	334	337.40
CCF	336	324.20	327	332.70
Cetelem	615	579	602	620
Christian Dior	848	825	832	845
CLF-Dexia Fran	572	558	562	564
Credit Agricole	1335.10	1335.10	1335.10	1305.10
Danone	875	836	840	866
Elf-Aquitaine	749	728	735	741
Eridania BS	839	820	825	834
Eurodisney	8.55	8.45	8.45	8.50
Eurotunnel	6.75	6.50	6.70	6.70
Gen. Eaux	727	702	709	723
Havas	405	398.10	400	402.50
Imetal	850	835	848	830
Lafarge	439	433.30	435.50	434.40
Legrand	1215	1187	1202	1235
L'Oreal	2280	2218	2225	2272
LVMH	1295	1262	1273	1290
Michelin B	357	344.20	347	355
Paribas A	449	438.30	443.60	447.60
Pernod Ricard	292	287	287.50	290.30
Peugeot Cit	764	745	748	751
Pinault-Print	2565	2511	2529	2550
Promodes	2160	2120	2130	2148
Renault	169	165	166.90	169
Rexel	1625	1555	1558	1619
Rh-Poulenc A	237	233.90	234.90	235.40
Sanofi	582	567	570	579
Schneider	346.20	334	334	342.50
SEB	848	835	840	848
SGS Thomson	542	535	540	535
Ste Generale	793	773	786	787
Sodexho	2729	2672	2684	2703
St Gobain	912	899	901	907
Suez (Cie)	N.T.	N.T.	N.T.	15.10
Suez Lyon Eaux	674	652	655	672
Synthelabo	712	705	707	705
Thomson CSF	167.80	165.20	166	165.50
Total B	647	615	622	645
Usinor	111.90	109.70	109.70	111.50
Valeo	370	360.20	360.50	370

São Paulo

Bovespa index: 11617.48 Previous: 11734.60

	High	Low	Close	Prev.
Bradesco Pfd	10.30	10.00	10.10	10.20
Brahma Pfd	795.00	785.00	790.00	800.00
Cemig Pfd	56.50	55.90	55.90	56.99
CESP Pfd	84.00	81.01	82.00	82.50
Copel	17.55	17.40	17.40	17.55
Eletrobras	575.00	563.00	566.00	574.00
Itaubanco Pfd	589.50	589.50	589.50	589.99
Light Servicos	478.01	460.01	466.00	478.00
Lightpar	360.00	329.00	339.00	360.00
Petrobras Pfd	303.00	298.00	299.00	301.99
Paulista Luz	187.00	187.00	187.00	189.50
Sid Nacional	41.00	40.00	40.00	41.00
Souza Cruz	10.10	10.00	10.09	10.10
Telebras Pfd	144.50	141.40	142.60	143.50
Telemig	175.00	165.00	169.99	171.20
Telerj	148.00	145.00	145.00	149.00
Telesp Pfd	333.00	328.00	329.96	332.00
Unibanco	38.00	37.80	37.80	38.00
Usiminas Pfd	11.85	11.79	11.80	11.90
CVRD Pfd	28.10	27.50	27.80	28.00

Seoul

Composite index: 691.62 Previous: 688.97

	High	Low	Close	Prev.
Dacom	86000	85100	86000	85800
Daewoo Heavy	7370	7260	7350	7390
Hyundai Eng.	19000	18400	18900	18600
Kia Motors	10800	10100	10100	10900
Korea El Pwr	23100	22700	23000	22900
Korea Exch Bk	5150	5070	5120	5120
LG Semicon	41700	40900	41300	40900
Pohang Iron St	58500	57300	58000	57800
Samsung Display	46400	45300	46000	46400
Samsung Elec	68900	68100	68400	68200
Shinhan Bank	8700	8500	8640	8640
SK Telecom	456000	441000	442000	451000

Singapore

Straits Times: 1944.63 Previous: 1919.88

	High	Low	Close	Prev.
Asia Pac Brew	5.60	5.50	5.50	5.60
Cerebos Pac	5.80	5.55	5.60	5.85
City Devlts	11.40	10.80	11	11.10
Cycle Carriage	10.50	9.70	10.40	9.75
Dairy Farm Intl *	0.89	0.88	0.88	0.87
DBS foreign	17.20	17	17.20	17.10
DBS Land	4.34	4.14	4.30	4.32
Fraser & Neave	9.25	9.10	9.20	9.10
HK Land *	3.26	2.90	3.18	3.06
Jard Matheson *	8	7.90	7.95	7.90
Jard Strategic *	3.86	3.76	3.78	3.82
Keppel A	6	5.80	6	6
Keppel Bank	3.36	3.28	3.34	3.32
Keppel Fels	3.98	3.92	3.92	3.98
Keppel Land	4.30	4.18	4.30	4.36
OCBC foreign	12.10	11.70	11.90	12
OS Union Bk F	8	7.70	7.80	7.95
Parkway Hdgs	6.50	6.35	6.45	6.45
Sembawang	6.45	6.05	6.45	6.35
Sing Air foreign	13.10	12.80	13.10	12.90
Sing Land	7.25	7	7	7.30
Sing Press F	24.80	24.50	24.60	24.50
Sing Tech Ind	2.78	2.63	2.70	2.68
Sing Telecomm	2.30	2.23	2.25	2.40
Tat Lee Bank	2.91	2.84	2.87	2.90
Utd Industrial	1.06	1.04	1.04	1.05
Utd O'Sea Bk F	13.10	12.80	13	12.80
Wing Tai Hdgs	3.60	3.44	3.54	3.52

*: in U.S. dollars.

Stockholm

SX 16 index: 3377.24 Previous: 3402.19

	High	Low	Close	Prev.
AGA B	114.50	113	113.50	114
ABB A	113	110	111	112
AssiDoman	242	236	240	244.50
Astra A	136.50	132	133.50	135
Atlas Copco A	256	249	251	253.50
Autoliv	321	314.50	316.50	317
Electrolux B	580	565	572	572
Ericsson B	340	333.50	335	334.50
Hennes B	341	323	336.50	340
Incentive A	724	716	716	724
Investor B	410	402	404	405
MoDo B	269	262	266	267
Nordbanken	256	252.50	256	255.50
Pharm/Upjohn	278	273	274	277.50
Sandvik B	257	247	250.50	254
Scania B	219	216	216	219
SCA B	187	181.50	184	185
S-E Banken A	90	88.50	89	88.50
Skandia Fors	351	336	337	348.50
Skanska B	322.50	316	317.50	321.50
SKF B	224.50	220	220.50	221.50
Sparbanken A	184	179.50	182.50	182.50
Stora A	131.50	128	128.50	131
Sv Handles A	257.50	247.50	252	256.50
Volvo B	210	205.50	206	207.50

Sydney

All Ordinaries: 2666.58 Previous: 2674.50

	High	Low	Close	Prev.
Amcor	8.66	8.50	8.52	8.68
ANZ Bkng	10.21	10.08	10.19	10.14
BHP	17.18	16.88	16.90	17.26
Boral	4.15	4.04	4.13	4.15
Brambles Ind.	27.60	27.25	27.39	27.35
CBA	15.85	15.75	15.83	15.85
CC Amatil	15.02	14.76	14.85	14.70
Coles Myer	6.59	6.54	6.57	6.62
Comalco	7.20	7.13	7.15	7.21
CSR	5.27	5.13	5.15	5.25
Fosters Brew	2.71	2.69	2.70	2.72
Goodman Fld	2.15	2.11	2.15	2.13
ICI Australia	12.52	12.41	12.50	12.44
Lend Lease	30.75	30.32	30.60	30.80
MIM Hdgs	1.70	1.67	1.69	1.70
Nat Aust Bank	19.63	19.49	19.61	19.55
Nat Mutual Hdg	2.24	2.15	2.24	2.20
News Corp	6.36	6.31	6.36	6.35
Pacific Dunlop	3.73	3.69	3.71	3.72
Pioneer Intl	4.69	4.62	4.69	4.63
Pub Broadcast	8.58	8.40	8.45	8.55
Rio Tinto	20.68	20.52	20.65	20.47
St George Bank	8.40	8.19	8.37	8.21
WMC	7.07	6.94	6.96	6.97
Westpac Bking	8.08	8	8.08	8.09
Woodside Pet	11.68	11.60	11.65	11.69
Woolworths	4.14	4.08	4.12	4.10

Taipei

Stock Market index: 9145.19 Previous: 9077.36

	High	Low	Close	Prev.
Cathay Life Ins	134.50	132	132	131.50
Chang Hwa Bk	102.50	100	100	100
Chiao Tung Bk	86	83	82.50	83.50
China Develpmt	123.50	120	120.50	120
China Steel	29	28.60	28.60	28.60
First Bank	103	101	101	101
Formosa Plastic	60	59	59.50	58.50
Hua Nan Bk	110	107	108	107
Intl Comm Bk	56	54.50	54.50	54.50
Nan Ya Plastics	71	69.50	69.50	69
Shin Kong Life	89	86	86.50	87.50
Taiwan Semi	153	147.50	148	147.50
Tatung	45.80	45.10	45.10	45.10
Utd Micro Elec	113	108	108.50	108
Utd World Chin	64	62.50	63	63.50

Tokyo

Nikkei 225: 18784.77 Previous: 18695.97

	High	Low	Close	Prev.
Ajinomoto	1090	1070	1090	1100
All Nippon Air	715	705	714	707
Amway	3590	3560	3580	3580
Asahi Bank	849	840	848	850
Asahi Chem	614	600	609	614
Asahi Glass	952	935	951	939
Bk Tokyo Mitsu	2160	2110	2160	2140
Bk Yokohama	524	520	524	528
Bridgestone	2810	2760	2810	2800
Canon	3570	3480	3560	3490
Chubu Elec	2060	2040	2060	2060
Chugoku Elec	1980	1960	1980	1980
Dai Nipp Print	2700	2660	2670	2670
Daiei	760	735	750	746
Dai-Ichi Kang	1400	1390	1400	1410
Daiwa Bank	595	585	590	591
Daiwa House	1370	1330	1350	1380
Daiwa Sec	709	698	700	710
DDI	6850a	6250a	6620a	6080a
Denso	2910	2870	2870	2900
East Japan Ry	5650a	5590a	5650a	5610a
Eisai	2540	2440	2510	2430
Fanuc	5000	4920	4940	4990
Fuji Bank	1500	1470	1490	1500
Fuji Photo	4800	4740	4800	4740
Fujitsu	1490	1450	1460	1480
Hachijuni Bk	1190	1170	1190	1190
Hitachi	1070	1050	1060	1050
Honda Motor	3860	3800	3840	3900
IBJ	1600	1570	1590	1590
IHI	368	361	363	363
Itochu	507	495	504	502
Ito-Yokado	6400	6290	6290	6420
JAL	509	494	495	507
Japan Tobacco	9470a	9400a	9430a	9400a
Jusco	3130	3060	3130	3090
Kajima	619	612	619	609
Kansai Elec	2240	2190	2220	2240
Kao	1680	1660	1680	1680
Kawasaki Hvy	455	448	451	455
Kawa Steel	281	277	278	281
Kinki Nipp Ry	696	685	690	689
Kirin Brewery	1100	1070	1100	1070
Kobe Steel	167	163	166	166
Komatsu	769	749	751	756
Kubota	480	470	472	482
Kyocera	8350	8250	8320	8340
Kyushu Elec	2020	2000	2020	2000
LTCB	585	575	576	576
Marubeni	423	420	423	426
Marui	2010	1950	2010	1960
Matsu Comm	3810	3750	3800	3760
Matsu Elec Ind	2190	2170	2180	2190
Matsu Elec Wk	1260	1230	1260	1250
Mitsubishi	1160	1130	1130	1160
Mitsubishi Ch	322	311	318	321
Mitsubishi El	525	515	519	527
Mitsubishi Est	1670	1650	1660	1660
Mitsubishi Hvy	789	776	785	794
Mitsubishi Mat	700	696	700	695
Mitsubishi Tr	1740	1710	1740	1710
Mitsui	980	966	968	988
Mitsui Fudosn	1400	1380	1400	1400
Mitsui Trust	593	580	583	593
Murata Mfg	5400	5230	5400	5220
NEC	1390	1370	1380	1390
Nikko Sec	1990	1940	1970	1910
Nikon	540	516	523	547
Nintendo	10700	10500	10700	10600
Nipp Express	811	801	801	803
Nippon Oil	527	521	524	520
Nippon Steel	297	292	296	297
Nissan Motor	740	712	720	748
NKK	195	189	192	195
Nomura Sec	1570	1550	1570	1580
NTT	1110b	1080b	1100b	1110b
NTT Data	5340b	5270b	5340b	5300b
Oji Paper	606	600	601	609
Osaka Gas	286	282	286	285
Ricoh	1730	1690	1700	1720
Rohm	13600	13300	13600	13600
Sakura Bk	718	700	704	720
Sankyo	3970	3820	3850	3970
Sanwa Bank	1580	1550	1570	1560
Sanyo Elec	423	419	422	424
Secom	8510	8440	8440	8510
Seibu Rwy	5730	5610	5650	5750
Sekisui Chem	1010	995	1010	996
Sekisui House	1130	1120	1130	1130
Seven-Eleven	8960	8860	8910	8970
Sharp	1150	1130	1140	1170
Shikoku El Pwr	1990	1960	1980	1980
Shimizu	610	599	610	600
Shin-etsu Ch	3280	3170	3210	3300
Shiseido	2070	2030	2070	2020
Shizuoka Bk	1290	1250	1270	1270
Softbank	5500	5210	5490	5230
Sony	11300	11100	11300	11400
Sumitomo	960	948	960	968
Sumitomo Bk	1750	1710	1720	1710
Sumit Chem	468	454	462	466
Sumitomo Elec	1840	1780	1790	1820
Sumit Metal	283	279	283	281
Sumit Trust	1230	1210	1230	1220
Taisho Pharm	3000	2960	2960	3010
Takeda Chem	3550	3510	3540	3510
TDK	9910	9790	9860	9950
Tohoku El Pwr	1990	1960	1990	1970
Tokai Bank	1030	1020	1030	1030
Tokio Marine	1390	1370	1380	1390
Tokyo El Pwr	2280	2260	2270	2280
Tokyo Electron	6970	6800	6960	6790
Tokyo Gas	300	294	298	296
Tokyu Corp.	626	617	624	628
Tonen	1190	1140	1190	1160
Toppan Print	1800	1750	1760	1770
Toray Ind	789	770	778	785
Toshiba	690	680	685	688
Tostem	2530	2480	2510	2500
Toyo Trust	1000	988	1000	990
Toyota Motor	3350	3320	3350	3330
Yamanouchi	3060	3010	3060	3010

a: x 100; b: x 1,000

Toronto

TSE Industrials: 6792.23 Previous: 6799.52

	High	Low	Close	Prev.
Abitibi Cons.	23½	23.10	23¼	23.10
Alberta Energy	31.35	31	31.20	31.35
Alcan Alum	49.15	48.20	49.15	48½
Anderson Expl	18	17.85	17.90	18.05
Bk Montreal	54¼	53.10	53.60	53.30
Bk Nova Scotia	61.45	60.20	61¼	60.35
Barrick Gold	30.65	30.05	30½	30.15
BCE	41.05	40½	40.65	40.95
BC Telecomm	34	33.80	34	34
Biochem Pharm	39.40	39	39.40	40
Bombardier B	28.20	28	28	28
Cameco	46.20	45.70	45¾	46.05
CIBC	38.30	37.40	38	37.55
Cdn Natl Rail	70.65	69.85	69.85	70.95
Cdn Nat Res	39¼	38¾	39.15	38.95
Cdn Occid Pet	37¼	36¼	37.20	37.15
Cdn Pacific	41¼	40¾	41	41¼
Cominco	36½	36.15	36¼	36½
Dofasco	27.30	26.95	27.15	27.40
Domtar	11.40	11¼	11.35	11.40
Donohue A	32¼	32.60	32.70	32.70
Du Pont Cda A	33	32.55	32¾	33
EdperBrascan	23½	23.15	23½	23.15
EuroNev Mng	21¼	21	21½	21
Fairfax Finl	394½	392	392	394½
Falconbridge	25	24¾	24.85	24.55
Fletcher Chall A	23½	23¼	23½	23½
Franco Nevada	31½	30.85	30.85	31.45
Gulf Cda Res	11.70	11½	11.70	11.65
Imperial Oil	79.20	77.65	77.65	78.80
Inco	37.90	37	37½	37.05
IPL Energy	53.40	52¾	53.40	53
Laidlaw B	21.55	21.30	21.35	21½
Loewen Group	42.30	42	42.05	42.35
Macmill Bldl	17.20	16.90	17.20	16.95
Magna Intl A	98.70	97¼	97.60	99
Methanex	11½	11.30	11.40	11.55
Moore	29.40	29.10	29.30	29.20
Newbridge Net	77½	76¼	77.45	77.60
Noranda Inc	26.95	26.40	26¾	26.45
Norcen Energy	38	36¼	37¼	38
Nthern Telecom	140	138.10	138.90	140
Nova	11.85	11¼	11.80	11.85
Onex	32¼	32	32.40	32¼
Pancdn Petlm	25.65	25.40	25.65	25½
Petro Cda	25.20	24.95	25	25.10
Placer Dome	22.60	22.20	22.30	22.30
Poco Petlm	14	13.85	13.90	13.80
Potash Sask	107½	106.55	107	107¼
Renaissance	35.30	35	35.15	35
Rio Algom	30.80	30.65	30.65	30¾
Rogers Cantel B	26¼	26¼	26¼	26¼
Seagram Co	48¼	48.30	48.35	48.45
Shell Cda A	22.90	22.40	22.60	22½
Suncor	47.90	47½	47½	47¼
Talisman Eny	48½	47½	48.45	47½
Teck B	25.85	25.05	25¼	25.85
Teleglobe	48¼	48	48.15	48.40
Telus	28.90	28.65	28.70	28.85
Thomson	33.30	32¼	32.80	33¼
TorDom Bank	44.10	43.35	44.10	43½
Transalta	17.45	17.35	17.40	17.40
TransCda Pipe	27.05	26.85	26.90	27.05
Trimark Finl	70.10	69½	69¼	69¼
Trizec Hahn	31.20	31	31.10	31¼
TVX Gold	7.10	7.05	7.10	7.20
Westcoast Eny	28.60	28.20	28.55	28.55
Weston	98	97.10	98	97

Vienna

ATX index: 1371.11 Previous: 1394.06

	High	Low	Close	Prev.
Boehler-Uddeh	1018.05	1002.25	1002.25	1020.10
Creditanst Pfd	647	639.05	641.50	647
EA-Generali	3110	3070	3090	3120
EVN	1546.30	1526	1530	1545
Flughafen Wien	496.80	489	490.40	494.50
OMV	1800	1762	1772.95	1800
Oest Elektriz	875	869.50	869.50	875
VA Stahl	540	529	531.20	537
VA Tech	2495	2377	2398	2499
Wienerberg Bau	2649	2570	2570	2630

Wellington

NZSE-40 index: 2471.12 Previous: 2478.13

	High	Low	Close	Prev.
Air N Zeald B	4.25	4.15	4.25	4.25
Brierly Invt	1.30	1.28	1.29	1.30
Carter Holt ord	3.36	3.31	3.33	3.36
Fletch Ch Bldg	4.49	4.38	4.39	4.42
Fletch Ch Eny	6.40	6.25	6.26	6.25
Fletch Ch Forst	1.96	1.91	1.94	1.92
Fletch Ch Paper	3.12	3.06	3.09	3.11
Lion Nathan	3.88	3.75	3.75	3.75
Telecom NZ	7.83	7.70	7.70	7.75
Wilson Horton	11.50	11.20	11.50	11.60

Zurich

SPI index: 3458.89 Previous: 3504.98

	High	Low	Close	Prev.
ABB B	2200	2147	2153	2167
Adecco B	569	563	563	566
Alusuisse R	1365	1324	1330	1346
Ares-Serono B	2470	2415	2415	2450
Atel R	842	842	842	845
Baer Hdg B	2100	2060	2070	2100
Baloise Hldg R	2078	1980	2005	2014
BK Vision	1070	1040	1040	1058
Ciba Spec Chem	143.75	140.25	141.50	140.25
Clariant R	1127	1090	1097	1109
Crd Suisse Gp R	181.75	177	178	180.50
Elektrowatt B	536	535	535	536
Ems-Chemie	6890	6785	6800	6870
ESEC Hdg	4325	4320	4320	4325
Holderbank B	1312	1261	1266	1310
Liechtenst LB B	586	584	584	586
Nestle R	1846	1810	1815	1835
Novartis R	2216	2139	2145	2199
Oerlikn Buehr R	179	177	178	180.50
Pargesa Hld B	1830	1820	1825	1820
PharmVisn B	890	876	880	887
Richemont A	2025	1990	2000	2035
Pirelli PC	330	325	325	330
Roche Hdg PC	13265	12905	12950	13180
SBC R	370	363	364	366.50
Schindler PC	1955	1937	1942	1944
SGS B	2722	2690	2692	2715
SMH B	902	877	877	893
Sulzer R	1052	1008	1008	1041
Swiss Reins R	2065	2016	2021	2049
SAir Group R	1838	1811	1828	1829
UBS B	1517	1481	1494	1507
Winterthur R	1319	1280	1293	1304
Zurich Assur R	607	586	588	603

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NASDAQ

Wednesday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Wednesday's 4 P.M. Close

(Continued)

Delay Seen In Merger Of 2 Banks In Japan

ASIA/PACIFIC

Delay Seen In Merger Of 2 Banks In Japan

Reuters

TOKYO — Two troubled banks whose merger is considered crucial for Japan's financial system said Wednesday their tie-up may be delayed but denied reports that a dispute over problem loans could scuttle it.

Analysts said a failure to go through with the merger would have a huge impact.

The announcement also raised questions about the ability of the Ministry of Finance to guide debt-ridden banks through the rough waters of deregulation ahead.

Hokkaido Bank Ltd. and Hokkaido Takushoku Bank Ltd. said in April they would merge next year to create a super-regional bank based in Japan's northernmost main island.

But Hokkaido Bank's president, Tsuneo Fujita, said Wednesday it was becoming "increasingly difficult" to meet the target date of April 1 and said the banks were considering "a possible postponement of the merger date."

His counterpart at Hokkaido Takushoku, Sadamasa Kawatani, agreed with that statement.

Japanese media and financial-industry sources have said Hokkaido Bank is upset at what it believes to be underestimates of the problem loans and insufficient restructuring efforts at Hokkaido Takushoku.

The daily Asahi Shimbun reported that the banks would soon decide to postpone the merger and possibly even scrap it.

"If they decided to scrap the plan, the impact on Japan's financial system would be enormous," said Koyo Ozeki, director of London-based rating agency IBCA Ltd.

While Hokkaido Bank could probably handle a delay, the merger is more important to Hokkaido Takushoku, which would find it difficult to restructure without external support, said Ritsuko Nemoto, an associate director at Standard & Poor's Corp.

More Economic Gales Batter the Markets

Thai Rate Rise Tips Stocks

Compiled by Our Staff From Dispatches

BANGKOK — Five of Thailand's leading commercial banks raised lending rates to six-year highs on Wednesday, causing stocks to tumble for a second day and heightening concern that more borrowers will default and slow the economy.

Thai Military Bank led the moves by pushing up the key minimum lending rate by a full percentage point, to 15 percent from 14 percent, and the remaining four banks raised their rates by a half percentage point, to 14.25 percent.

The benchmark index for the Stock Exchange of Thailand fell 23.46 points, or 4.15 percent, to 541.55. Five shares fell for each that rose.

In addition, a government document showed Wednesday that Thailand has cut its economic growth targets to an average 4.9 percent annually until 2001 — the lowest in more than a decade.

The latest lowering of macroeconomic targets came in a document outlining the next five-year national and economic and social development plan, which is due to come into force on Oct. 1.

Economic growth for 1997 was set at 2.5 percent — compared with the 5.9 percent forecast by the central bank in May, while in 1998 it should reach 3.5 percent and 5.5 percent in 1999.

(Bloomberg, AFP)

■ Malaysia Tackles Deficit

Malaysia cut its estimate for this year's current-account deficit and reiterated that several large public-works projects will be shelved in a bid to trim imports, Bloomberg News reported from Kuala Lumpur.

Among the measures designed to cut the deficit, government departments — including the military — have been told to reduce purchases of expensive imports. Finance Minister Anwar Ibrahim also urged Malaysia's companies and its citizens to do the same.

Mr. Anwar said the bureaucracy will cut spending and that his own Ministry of Finance and the prime minister's department will each shave 2 percent from their budget, effective immediately.

Malaysia is expected to rack up a deficit this year of 5.0 percent of gross national product, Mr. Anwar said. That's less than an earlier official forecast of 5.5 percent of GNP and less than last year's deficit of 5.2 percent of GNP.

India Talks Up Rupee

Compiled by Our Staff From Dispatches

NEW DELHI — Authorities led by the finance minister and the central bank governor threw their weight against currency speculators Wednesday and vowed to defend the rupee.

Their words appeared to have some effect, as the dollar fell as low as 36.45 rupees from a Tuesday close of 36.60 rupees and was trading late in the day at 36.50 rupees.

P. Chidambaram, the finance minister, said Southeast Asian foreign-exchange markets had been extremely volatile.

"It is naive to think that some of that volatility has not spilled over," he said. "It has spilled over to the Indian market."

But C. Rangarajan, governor of the Reserve Bank of India, said the country's economic fundamentals were strong and that the central bank would continue to intervene both in the spot and forward rupee markets to reduce volatility.

"While the exchange rate is market-determined, the RBI will not allow volatility and excessive speculation," Mr. Chidambaram said.

"What we want are orderly conditions in the foreign-exchange market," he said.

While Mr. Rangarajan said that there had been "no basic change in the fundamentals of the economy," Mr. Chidambaram said India's fiscal situation was under severe pressure.

"This year we hope for a further fiscal correction, but I am afraid there are severe pressures," he said.

Mr. Chidambaram said the government had estimated its deficit for the 1996-97 fiscal year at 5.0 percent of gross domestic product but said the final figure "may end up at 5.1 percent."

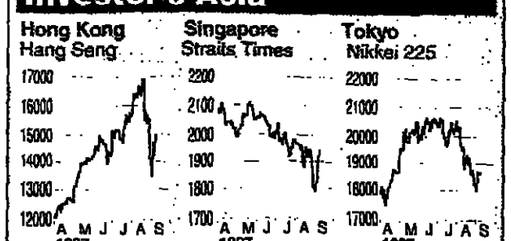
He said, "I think it still has not been inscribed on the consciousness of the Indian political and economic leadership that fiscal correction is the single most important goal we must pursue."

Mr. Chidambaram and his finance secretary, Montek Singh Ahluwalia, insisted that India's situation was not comparable to Thailand's.

"We are not as overextended or as exposed as our Southeast Asian neighbors," Finance Minister P. Chidambaram said. Mr. Ahluwalia said India's current-account deficit as a share of GDP had been running about 1.3 percent. He said it was 8 percent in Thailand when that country was hit by the baht crisis.

(Reuters, Bloomberg)

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,805.44	14,996.66	-1.28
Singapore	Straits Times	1,944.63	1,919.88	+1.29
Sydney	All Ordinaries	2,666.50	2,674.50	-0.30
Tokyo	Nikkei 225	18,704.77	18,695.66	+0.05
Kuala Lumpur	Composite	863.08	888.75	-2.89
Bangkok	SET	541.55	565.01	-4.15
Seoul	Composite Index	691.62	698.97	-1.05
Taipei	Stock Market Index	9,145.18	9,079.36	+0.72
Manila	PSE	2,212.77	2,228.66	-0.72
Jakarta	Composite Index	575.02	598.00	-3.84
Wellington	NZSE-40	2,471.12	2,478.13	-0.28
Bombay	Sensitive Index	4,045.61	4,031.55	+0.35

Source: Telekurs International Herald Tribune

Very briefly:

- **Ford Motor Co.** is to send a team to Seoul to study ways to help **Kia Motors Co.**, which had a net loss of 37 billion won ($41 million) in the first half of 1997.
- **Nippon Telegraph & Telephone Corp.** applied for permission to set up a subsidiary to lease out international circuits starting in 1999. Several other Japanese telecommunications companies already have such subsidiaries.
- **Isuzu Motors Ltd.** raised prices on its cars and pickup trucks in Thailand by an average of about 3 percent, citing higher prices for imported parts.
- **Optus Communications Pty.**, Australia's second-ranking telecommunications carrier and pay-television company, is suing its state-owned rival, **Telstra Corp.**, for as much as 900 million dollars ($660 million), alleging that Telstra misuses its market power to stifle competition. Telstra denies the charge.
- **Australia's** wine exports surged 20.7 percent in July, to 14.6 million liters valued at 63 million dollars.
- **Petroz NL**, an Australian gas and oil producer, said its second-half profit fell 31 percent, to 2 million dollars, as gas production from its Surat basin fields fell. Full-year profit rose 3.2 percent to 5.5 million dollars, although sales fell 44 percent, to 20.1 million dollars. *AFP, AP, Bloomberg, Reuters*

China's Tax Collectors on a Roll at McDonald's

The Associated Press

BEIJING — In a city of bureaucrats hungry for revenue, McDonald's isn't just for hamburgers.

Its 38 restaurants in Beijing must pay for family planning, flowers for city streets and propaganda telling the Chinese to be more gracious.

A total of 31 such fees — charged on top of taxes — costs each McDonald's thousands of dollars a year, according to an official report made public this month.

Mayor Jia Qinglin ordered the report, focusing on McDonald's, to find out why foreign investment in Beijing has stagnated, the Chinese Economic Times newspaper said.

The report concludes that most of the fees were unauthorized — but were not corruption. Agencies simply are being forced to raise their own revenues in the face of government funding cuts, it says.

The report highlights complaints by foreign investors that they frequently are targets for fees and taxes imposed without warning or explanation. State-owned companies also complain that such unusual fees cost them millions of dollars a year, and the Chinese government is on a campaign to get local authorities to stop imposing them.

"Some fees are reasonable and some fees for foreign businesses defy understanding," said the Economic Times in a front-page article on the report.

Only 2 of the 31 fees that McDonald's pays were clearly justified, the report said. Eight were questionable and 17 were illegitimate, it said, without explaining the status of the four others.

Some of the fees were not unusual: Trash collection charges of $600 to $1,200 a year, $4.30 a parking space for traffic safety and $1.20 an employee for public tree-planting.

Others were bizarre. Each restaurant pays thousands of dollars for river dredging in a city with one small river, and $360 to $1,200 for flower displays that decorate Beijing streets on holidays.

McDonald's also pays $360 to $600 a year for "spiritual civilization," a campaign led by President Jiang Zemin that has covered Beijing in banners telling people to be more cultured.

And the restaurants face large fines for infractions of official regulations: One McDonald's was docked $3,600 because an inspector found three flies in the kitchen, but negotiated the fee down to $960.

By comparison, the average income of a Chinese city dweller is $525 a year.

The proliferation of fees is undermining official attempts to streamline investment.

Foreign firms are not the only ones hit by unusual fees. The Communist Party called on local officials in July to stop collecting unauthorized fees from state-owned companies.

By the end of last week, 21 provinces and cities had canceled 2,877 fees for a savings to state companies this year of $1.8 billion, the China Daily newspaper reported Tuesday.

■ Tax Clause Under Review

China is reviewing a taxation clause that withholds as much as 20 percent from interest earned by foreign banks on their loans, Bloomberg News reported.

Foreign bankers were angered by the tax because it is not levied on local banks and threatens to erode their profitability in what is already a highly restrictive market.

He Junxiong, an official at the State Administration of Taxation who handles foreign companies, said his department is expected to decide whether to enforce the tax within a week.

Citibank was one of several banks that objected to the levy, which would potentially tax every loan they issue in China.

Australia Protects Textiles

Bloomberg News

SYDNEY — In a major reversal of policy, the government said Wednesday it would freeze tariffs on textiles, clothing and footwear from 2000 through 2004 to safeguard almost 100,000 jobs.

Prime Minister John Howard said the move also would bring in investment. But he said he still supported creating a free-trade zone in the Asia-Pacific region by 2010.

AUTOS: *Makers of the Swatch Offer 'Smart' as a Traffic Antidote*

Continued from Page 13

billion Deutsche marks ($3.3 billion to $4.4 billion) to build plants in developing markets where sales are growing fastest and where the company can avoid higher labor costs, elevated taxes and rigid regulations at home. The company denies that it will use its infusion of cash to buy up other companies.

"Virtually all companies have their eyes set on a global market. Even the quintessentially American Cadillac Seville is being built with Japanese and European markets in mind. Going down-market, Chrysler showed its concept for a simple car made of molded plastic for markets in developing country. Cheap to build, easy to maintain and rugged enough for the roughest roads, the car might even find a market among those who mourn the demise of the Citroen CV, which it resembles.

However, world production capacity of some 70 million units a year is much in excess of demand, and only the best are likely to survive. This is why many people in the industry are watching the emergence of the ultra-small car with such interest, for it could create a new market sector and fresh opportunities for established manufacturers.

The Smart car is an attempt to combat the tyranny of the car in many modern cities. According to Juergen Hubbert, the president of Micro Compact Car AG, it will restore freedom and individuality to driving.

Nicolas Hayek, the vice president, called it "a symbol of our common European future."

The auto-show display for the Smart car includes a model that was crashed head-on into a large Mercedes sedan at 50 kilometers (30 miles) an hour. Both vehicles appeared to have sustained the same amount of damage, and the passenger compartment of the Smart car was not deformed.

■ Saab Counts on 9-5 Model

Saab Automobile AB's chairman, Louis Hughes, said its 9-5 model, which it launched this month, was a make-or-break move for the carmaker, Reuters reported. "If it fails for whatever reason, then the future of the company is really dark indeed," Mr. Hughes said in an interview at the Frankfurt car show. "But if it is successful, it completely turns the company around."

A failure could force General Motors, part owner of Saab Automobile with the Swedish investment group Investor AB, to consider selling the company.

"The Saab brand is still very good," Mr. Hughes said, "and there can well be a buyer. But it is silly to speculate about it." He said he was convinced that the new release had good potential.

"We said it is going to be good, and it will be good," he said.

"I'm completely confident that we can increase our volumes to 150,000 cars" a year, he said.

"That volume is where we can make money, and we feel that is a completely sustainable volume."

Saab said it received 15,000 orders for the 9-5 model in the first few days after its commercial launch.

TIGERS: *China Claims Mantle*

Continued from Page 13

ings, a Hong Kong-based investment bank. "Indeed, 1997 has been the year when questions have grown about the sustainability of the Asian economic miracle."

"We have had Thailand's forced devaluation of the baht and the subsequent contagion effect suffered by other Southeast Asian nations," Mr. Tose said at the conference, which was organized by the International Herald Tribune with the cooperation of the South Korean Ministry of Finance and the Economy.

Echoing comments made by officials of struggling Southeast Asian officials, Kang Kyong Shik, deputy prime minister and minister of finance and economy, blamed South Korea's woes on the failure of managers at big manufacturers and financial institutions to tackle rising global competition.

"A vision for the Korean economy in the future must focus on regulatory and structural reform to meet the challenges posed by the rapidly changing world economy," the South Korean said.

For much of the past three decades, China watched with envy as its neighbors transformed their agrarian economies into industrial dynamos. Today, China is in the enviable position, but it is determined to dodge the potholes into which its rivals have recently fallen, Mr. Long said.

China is pushing seriously to further diversify its exports and move into value-added goods, he said, noting that foreign-owned companies and foreign joint ventures accounted for a full 47 percent of China's exports.

Exports have risen 26.7 percent in the past three months from a year earlier, he said. By comparison, exports in Singapore have risen only 0.9 percent for the same period, while in Thailand, they fell 3.6 percent.

Already, exports of electronic goods, machinery and appliances, long the staple of Southeast Asia's trading nations, have overtaken textiles as China's leading export sector, Mr. Long said, "a very important change."

Mr. Long was speaking a day after the Communist Party announced a major policy address by President Jiang Zemin that would endorse large-scale sales of shares in some unprofitable state-owned companies to employees or private parties.

Mr. Long said that privatization was the wrong word to describe the reforms envisioned for China's giant state-owned enterprises, which lost a total of 60 billion yuan ($7.21 billion) last year on top of subsidies totaling 30 billion yuan.

State enterprises, he said, will "remain the backbone of our economy. There should be no deviation from that policy."

IMF: *It Says It Warned Bangkok*

Continued from Page 13

to stimulate its economy through improved domestic demand rather than by spurring exports. "That is a very substantial challenge for Japan," Mr. Rubin said on Cable News Network's Moneyline program.

"It's very important for Japan and the United States and the rest of the world that challenge be met."

The U.S. Treasury chief also attributed to the private sector the view that Japan's trade surplus "is heading in a direction that is not consistent with the notion of avoiding a sustained, significant increase in the surpluses."

Mr. Rubin's remarks were taken by some currency traders as a veiled warning about Japan's trade surplus with the United States, especially as they followed similar comments from Larry Summers, deputy Treasury secretary.

Also Wednesday, a U.S. official in Tokyo was quoted saying that it was "imperative" for Japan to stimulate home demand through deregulation.

Mr. Rubin said Japan's economy would be a key agenda item during the IMF/World Bank meetings in Hong Kong, where the Group of Seven also will convene.

Asked about Mr. Rubin's remarks, Japan's finance minister, Hiroshi Mitsuzuka, said he did not think Washington was planning to pressure Japan over its trade surplus at the Hong Kong talks.

China Steers Firms To Private Financing

Bloomberg News

BEIJING — If you ask the Chinese financial guru Da Yuancheng, he will tell you that salvation for his country's stumbling state-owned enterprises will come only from private investors.

Shunned by bankers who have become choosier about their borrowers, and with Beijing no longer as willing to bail out the thousands of money-losing businesses it owns, everyone from shippers and carmakers to chemical producers and computer manufacturers is foraging for cash.

With few alternatives, the central government is encouraging companies to raise money on the stock market, hoping to keep a lid on unemployment and to maintain social stability.

"Practically every company faces reorganization and merger, and some companies will simply fail," said Mr. Da, a government economist and close adviser to Deputy Prime Minister Zhu Rongji.

The great retreat from state ownership of economic enterprises is expected to be formally endorsed when China's leading party figures come together Friday for a weeklong Communist Party congress, which is held once every five years.

A sweeping declaration would almost certainly create new openings for foreign investors, who already are putting about $40 billion a year into China.

"It's going to be a very important event which will push shareholding further," said Huan Guocang, managing director of corporate finance with BZW Asia Ltd. in Hong Kong.

Authorities, for example, have identified 20 more companies that will be permitted to sell B shares to foreign investors in China, and dozens more are lining up to sell shares in Hong Kong and elsewhere, in response to an appetite for stocks that has sent the index of "red-chip" shares — shares of Chinese companies listed in Hong Kong — up 86 percent this year.

The foreign funds help to offset the reluctance of Chinese banks to step into the breach. The central bank said last month that interest on loans that were more than two years overdue rose 20 percent in the first half of the year, to 143.1 billion yuan ($17.2 billion).

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Half-year results

The Board of Directors, chaired by Mr. François Grappotte, reviewed consolidated results of the first half of 1997.

Consolidated figures (FF, in millions)	1st half 1997	1st half 1996	1997/1996
Net sales	6,452	5,785	+11.5%
Operating income	993	794	+25.1%
Net income	517	453	+14.1%

At constant structure and exchange rates, sales rose 3.6% in the first half of 1997.

The total rise in sales was 11.5%, including business of recently acquired companies, in particular Fael in Poland, Luminex in Colombia and Brazil, and MDS in India.

The 14.1% rise in net income takes into account the hike in the French income-tax rate.

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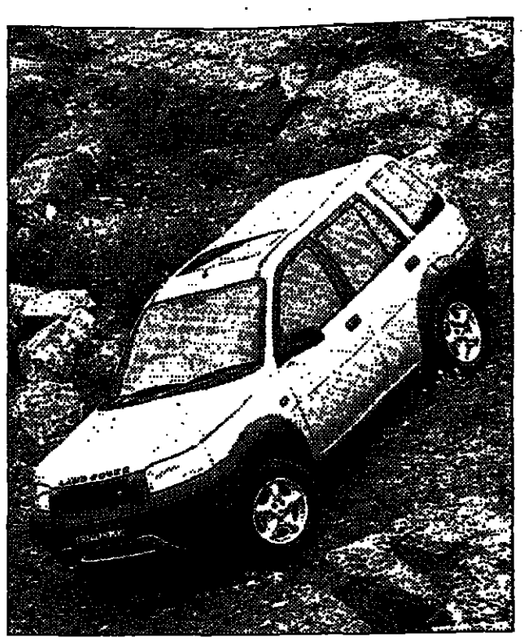
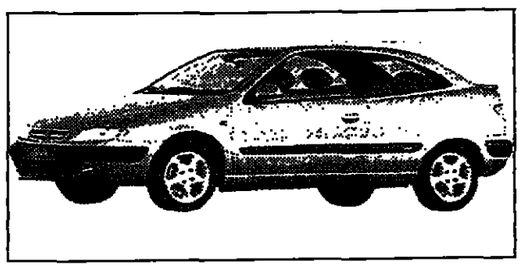
The Automobile Industry in Europe





The classic and well-loved sleekness of European design is as apparent as ever in (clockwise from top right) Rover's off-road Freelander, the Citroën Xsara, the new Golf from Volkswagen and the Jaguar XJ Sport and XJ8.

U.S. Car Makers: At Home in Europe

American models are still gaining ground.

American car manufacturers currently hold more than a quarter of Europe's car market, about twice as much as the Japanese. They are particularly successful in the market's fastest-growing geographical areas and segments. In Central Europe, GM's Opel subsidiary increased its sales by 88 percent in 1996. Chrysler's Jeeps and Voyagers have made large inroads on Europe's hotly competitive "LLL" (leisure, lifestyle, luxury) segment, with the company having registered a 21 percent increase in sales in Europe in 1996.

The Americans have also snapped up some of the Continent's most respected producers over the past few years and recently designated Europe as their next great area of market expansion.

Why isn't Europe up in arms about this foreign invasion? For one thing, GM and Ford aren't perceived as foreign; they've been in Europe for a long time. Ford sold its first automobile in Europe in 1903. Eight years later, the company commissioned its first production facility on the Continent, and the newly formed GM began exporting to Europe. In 1925, GM acquired Vauxhall Motors, which was at that time one of the Continent's major manufacturers.

Integrated businesses

The Americans also form an integral part of local business communities. All are major employers and avid producers: Some 106,000 people work for Ford Europe, many of them at the company's 47 production and assembly operations on the Continent. GM has 16 production facilities and 86,000 employees in Europe.

In their localities, these facilities often have an economic weight far beyond their size. This is because the Americans have shown a penchant for reinvesting in traditional but now troubled industrial areas, such as the British Midlands, central Belgium, Germany's Ruhr valley and Graz, Austria (where Chrysler maintains a large assembly plant), and for making major, pioneering investments in redeveloping or untried regions.

Among these is Eastern Germany, where Opel's plant in Eisenach, Thuringia, commissioned four years ago, has served as a successful role model for all of Eastern Germany's redeveloping industry. A similar role has been assigned to the company's production facility in Silesia, Poland, now under construction.

Ford's mammoth plant in southern Portugal, which it jointly owns and operates with Volkswagen, is the cornerstone of an attempt to transform this region into an advanced industrial area. GM is in the midst of a $1-billion-a-year program of plant building and upgrading in Europe, set to run until the end of the decade.

In addition to pledging a good deal of their financial future to the Continent, GM and Ford have centered much of their international design and development activities in Europe: GM at the Opel Technical Development Center in Rüsselsheim, a western suburb of Frankfurt, and Ford in Cologne and Dunton, in Britain.

Terry Swartzberg

An Increasingly Fragmented Market

More competitors are offering more models to a buying public that is becoming more selective.

Automotive executives descending on Frankfurt this week (Sept. 8-12) for the biennial IAA show will be primarily concerned with decreasing profit margins and an increasing requirement to cut overheads. They will naturally want to size up some of the newcomers on display for the first time, including the Volkswagen Golf, Opel Astra, Citroën Xsara, Land Rover Freelander, Saab 9-5, Cadillac Seville and Porsche 911. But they also know that hot new models from the competition are going to make their jobs harder in the future.

Supply-side economics

Collectively, the automakers have the ability to produce far more vehicles than the market can absorb. Annual sales in Western Europe will be about 13 million this year, but installed capacity in the region is over 18 million. That equation plays havoc with the best-laid plans of any automaker. The only models that sell at full price are those that consumers really want to own, like some of the latest Ferraris, Porsches and Mercedes-Benzes. The rest — the majority — have to be sold with discounts, incentives and additional promotional costs. At the same time, fragmentation in the market adds to costs. Increasingly, consumers want variety, and this has generated a flurry of niche products, including more sports cars, city cars, minivans, mini-minivans and sports-utility vehicles. That requires additional investment in development and manufacturing.

There is a further complication for mainstream automakers. The introduction of the subcompact A-class has brought Mercedes into the mass market. The significance of this is not lost on Volkswagen, one of whose board members notes, "As Mercedes-Benz comes down, we will go up."

Meanwhile, emissions and safety laws are another burden. Says Jacques Calvet, chairman of Peugeot-Citroën, "We are in favor of environmental protection, but we want a more cost-efficient approach from Brussels."

Financial incentives

Some national governments have taken action to stimulate sales with cash incentives (matched by producers) for trading in old vehicles. Ostensibly, this is to eliminate the more polluting older models from the roads, but the effect is to bolster business for local automakers. The current Italian scheme has sent sales soaring by nearly a third, but sales in France, whose similar scheme finished a year ago, are down by a fifth.

Undoubtedly, automakers across Europe would now be facing even more problems without these artificial stimulants. Buoyant car demand in many Central European nations has helped fill up production lines in the West.

A delicate balance

General Motors' capacity utilization is among the highest of any automaker in Europe, but Louis Hughes, president of international operations, maintains, "We can't get additional revenue by sinking our prices. We just lower our profit. That's why it's even more important for us to grow outside of Europe."

Solving this problem is easy in theory, but almost impossible in practice in most European countries. Automakers need to cut overheads, but they are faced with social, legal and commercial repercussions. The difficulties involved were demonstrated earlier this year, when Ford and Renault announced plans to close car factories in England and Belgium respectively. Ford rescinded after the British government came up with some regional development aid, but Renault pressed ahead, only to see its Belgian market share slide.

Richard Feast

Showcase for the 'Intelligent' Car

This year's IAA exhibition displays the transformation of the automobile as we know it.

With over 200,000 square meters of exhibition space, the Internationale Automobil-Ausstellung (IAA) in Frankfurt is the world's largest car trade show and a global showcase for the industry's newest models and features.

Over 1,100 exhibitors from 41 countries will present their automobiles and accessories. They will also raise the curtain on almost 100 world-premier products, ranging from new car models to integrated navigation systems.

Debutantes

Among the 33 new car models making their debut at the show are Volkswagen's new Golf IV and Polo Variant; Opel's second-generation Astra model and the Zafira, a combi-van Opel developed together with Porsche; Daewoo's complete new line of cars, including a mid-class limousine; and Rover's new off-road vehicle, Freelander.

The fuel-efficient Mitsubishi Carisma.

For the first time ever, Cadillac will also premier its newest model in Europe rather than the United States. Its Cadillac Seville is the company's signal to the industry that it is gearing up to compete against European rivals in the luxury class. Daimler-Benz and watchmaker SMH will fill one hall with their long-awaited two-seater Swatch car, known as Smart.

Environmental friendliness remains a major factor in car design and construction, particularly since Europe has recently passed stricter laws on emissions and fuel efficiency. Proof that manufacturers are making progress is the 1998 model Mitsubishi Carisma, the first European car with a Gasoline Direct Injection engine. The 1.8-liter engine is 20 percent more fuel efficient, produces 20 percent fewer carbon dioxide emissions and yields 10 percent more power than a conventional gasoline engine of equivalent size, the company says.

By placing the high-pressure swirl injector at a more vertical angle, fuel can be injected into the cylinder at an earlier stage. This has allowed the early injection zone to be extended, which results in lower fuel consumption at higher speeds.

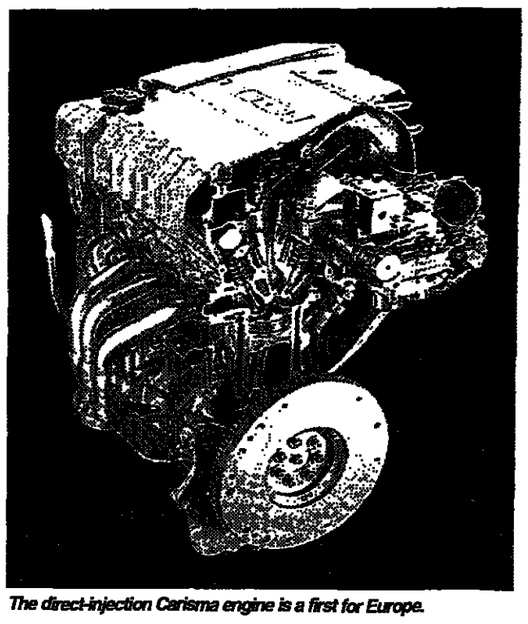
Crucial connections

Under the motto "The Car Connects," the IAA will cover all aspects of transportation, including safety, efficiency and telematics — the fusion of telecommunications, information and all forms of mobility.

"We can't see the vehicle as separate from infrastructure," notes Oliver Mossé, chief executive officer of ERTICO, a Brussels-based partnership of Europe's manufacturers, users, telecommunications operators and public authorities. "Since we can't change the number of cars we drive and the amount of space we have in Europe to drive them in, we have to focus on ways to pack more cars onto the pavement without compromising on travel safety and efficiency."

The new navigators

To meet this challenge, most major car manufacturers are developing navigation systems that provide drivers with up-to-date traffic information that helps cut travel time and frustration.



The direct-injection Carisma engine is a first for Europe.

Internet on the road

Citroën's new Xsara model will be the first to feature the Pentium-processor-based computing platform known as Intel's Connected Car-PC technology, which allows the Xsara to support a number of intelligent applications, including continual traffic news updates, e-mail retrieval and Internet access.

Peggy Salz-Trautman

Valuable Lessons From the East

Asian production principles are in ascendance.

The impact of Japanese-owned car-making plants on Europe can be seen most clearly in the latest productivity audit carried out by the Economist Intelligence Unit in London. It found that three of the four most efficient car factories in Europe were those in Britain owned by Nissan, Toyota and Honda.

The EIU rated General Motors' new factory at Eisenach, in Eastern Germany, second only to the plant in northeast England owned by Nissan. GM has never made any secret of the fact that Eisenach is based on lean production techniques the company learned through joint ventures with Toyota and Suzuki in North America.

"The arrival of Japan transplants," says Garel Rhys, professor of motor industry economics at Cardiff Business School, "has been like an MBA program for the Europeans." The European makers have embraced the production principles pioneered by Japanese automakers, including simultaneous engineering, collaboration with suppliers on development, quality circles and just-in-time component deliveries.

Keep it simple

Ford's Ka city car is simpler — that is, cheaper — to manufacture because it has only 1,200 components, compared with the 3,000 in the Fiesta Classic from which it was derived. The supplier park that constantly feeds the Ka factory near Valencia, Spain with components is a model for Ford's new, Europe-wide approach. "This is a quantum leap into the 21st century," declares Juan José Ubaghs, managing director of the Valencia plant.

Nearly five years ago, when Porsche faced the worst crisis in its history, the new management decided to employ a team of Japanese consultants to reorganize the production system at its Stuttgart factory. "It was a question of 'to be or not to be,' as simple as that," says Wendelin Wiedeking, chairman of the Porsche board of management. Today, Porsche is an efficient, flexible and profitable company.

Japanese companies have made another important change in the European scene. Almost 824,000 cars and light trucks designed by Japanese companies were made in Europe last year, either by large, wholly owned subsidiaries or smaller joint ventures. A decade ago, there were practically none.

A two-way street

Those vehicles are being bought primarily by European customers — people who, up to the mid-1980s, would have purchased products from traditional European automakers or the long-established Americans Ford and GM. It is a structural shift that adds to concerns about overcapacity in Europe. If the Japanese have built up local production rapidly, they lag in terms of European design and engineering. The pace in these arenas is being set by South Korea's Daewoo.

In the past three years, Daewoo has acquired automotive operations in Poland, the Czech Republic and Romania. Significantly, it has elected to design and develop certain future products entirely in Europe. That includes whole cars at its technical center in Worthing, England, and engines at another center outside Munich.

R.F.

New Design Features Create User-Friendly Automobile

Cars are no longer just four wheels and an engine — they are now becoming collaborators in the driving process.

Changes in lifestyles and a growing concern about environmental protection have created customer demand for more intelligent, efficient and user-friendly vehicles.

"But intelligence doesn't mean only computing power," notes Anthony Grade, Renault's director of design car programs. "It means recognizing individual demand for more space and other practical features."

Bonding vehicles

Because families have less time during the week, they are using their weekends to go on short trips and strengthen the bond with their children, according to Mr. Grade. Renault picked up on this trend and came out with the Mégane Scenic, a versatile vehicle that has been voted Car of the Year 1997. The Scenic, Mr. Grade says, is an "activity car that can be considered an intelligent part of the family."

The vehicle's features include stowage lockers and compartments under the front and rear seats, airline-style fold-up tables and adjustable seats.

"The trend in all products is to give the customer what he wants," Mr. Grade says. Other Renault models, including the Kangoo, which made its debut at the trade show, feature this flexible approach to vehicle design.

Fuel economy is another area in which carmakers are called upon to come up with more intelligent systems and more economical solutions.

"No car manufacturer can afford to ignore the demand for cleaner-burning engines," notes a spokesman for Germany's Association of Vehicle Importers.

One company on the cutting edge is Honda. Its Ultra-Low Emission Vehicle (ULEV) is the first gasoline-powered engine able to slash emissions and meet the world's strictest standards, the company says. Honda's 1998 model Accord will feature a ULEV engine.

Enter the Autonet

The race is also on to provide drivers with more intelligent navigation systems and easier access to on-line services. Mobile terminals, including GSM cellular phones, navigation systems and ordinary car radios, are the building blocks manufacturers are busily fitting together to create a new multimedia interactive car network they call the Autonet.

Since digital supplementary information was first made available through the Radio Data System (RDS) about 10 years ago, this service has continued to develop in leaps and bounds. Far more spectacular, however, is the Traffic Message Channel (RDS/TMC), based on the RDS system. With the aid of this service, traffic news can be made directly available to drivers the moment it happens.

Smarter driving

"The concept of a mobile terminal swings open three gateways to the information world," says Martin Thoone, head of product strategy at Philips Car Systems near Frankfurt. TMC gives up-to-the-minute traffic information, news and advice via radio text display. With the aid of GPS (Global Positioning System) satellites, it is possible to determine the exact position of a vehicle at any moment. The integrated GSM phone provides the key to the interactive on-line connection. Philips' RC 579, for example, combines a car radio with a TMC decoder and interfaces with Philips' existing CARiN car navigation system.

Moving toward increased integration of systems in the car, Siemens Automotive in Regensburg has launched a new system at the show in which all information — including radio, car telephone, navigation and onboard computer — is brought together in a single display and with a single control interface.

P.S-T.

"The Automobile Industry in Europe" was produced in its entirety by the Advertising Department of the International Herald Tribune.
Writers: Richard Feast in southern England, Peggy Salz-Trautman in Frankfurt and Terry Swartzberg in Munich.
Program Director: Bill Mahder.

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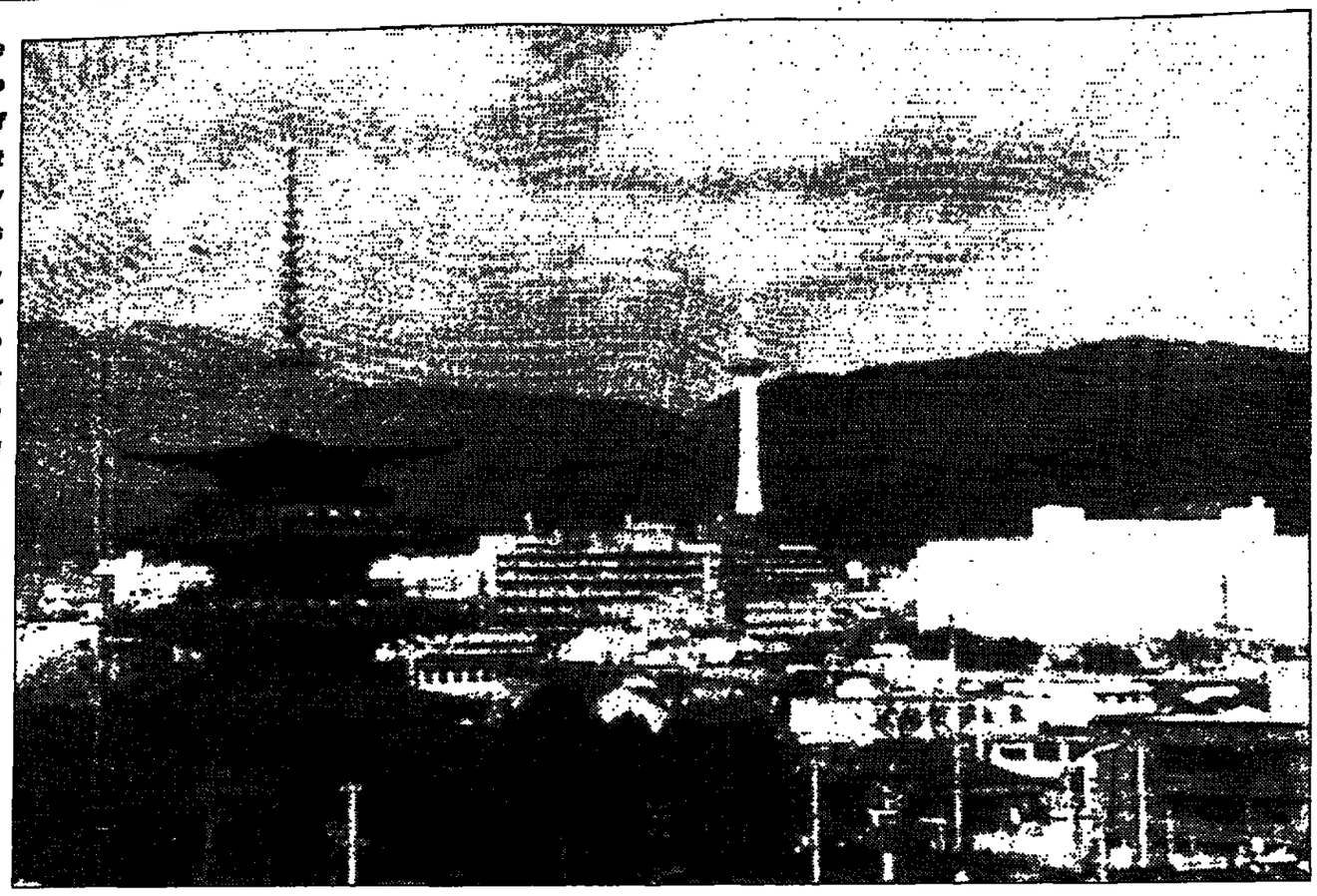
KYOTO: A Synergy of Tradition and Innovation

While for much of the outside world, Kyoto remains the symbol of traditional Japan, a quiet sanctuary full of cherry blossoms, old teahouses and kimono-clad geisha, this image is changing. For a over a millennium, Kyoto represented the very best standards and quality in culture, scholarship and craftsmanship. Whether it was silk weaving, pottery, architecture or the visual and performing arts, the Kyoto name was associated with refined elegance. But there is also a new, modern Kyoto, one that is looking ahead to the 21st century.



An Ever-Renewing Source of Creativity and Culture

Not content to rest on its laurels as Japan's cultural repository, Kyoto is embracing new development in business and infrastructure.

Tradition remains very much a part of the image of Kyoto, Japan's fifth-largest city, home to 1.5 million people, with a total of 2.6 million in Kyoto Prefecture.

An industrial and cultural center, Kyoto is also a major center of higher education, with some of the nation's finest universities, including the prestigious national Kyoto University, as well as Ritsumeikan and Doshisha Universities, two private schools noted for their high standards and international outlook.

A large and vibrant foreign community lives in Kyoto. Its presence adds greatly to the city's cultural diversity, creating a sense of excitement and experimentation. Kyoto is also home to nearly 2,000 Buddhist temples and Shinto shrines.

Today, 17 historical sites have been designated UNESCO World Cultural Heritage Sites, and Kyoto is the location of 20 percent of Japan's national treasures. More than 60 museums throughout the city offer visitors the opportunity to view priceless works of art and important cultural objects.

The Kyoto personality is one of old, tested strength. Kyotoites are justifiably proud of their character and of their creativity and individuality. In business and technology, Kyoto entrepreneurship has led to the creation of some of the world's best-known companies, including Kyocera, Omron, DDI and, of course, Nintendo.

According to a 1992 survey conducted by the city and prefectural governments and the Kyoto Chamber of Commerce and Industry, the total export volume of Kyoto companies amounted to 1.04 trillion yen ($8.6 billion), and total import volume was 136.5 billion yen. The service industry accounts for nearly 70 percent of Kyoto's economy.

Stimulating crosscurrents

Today, Kyoto business and technology is developing in new ways, with enthusiastic cooperation among business, academia and government. Two projects that have been born from this collaboration are Kyoto Research Park, an integrated facility located in southern Kyoto Prefecture, and Kansai Science City, located in the Keihanna Hills, which overlap the borders of Kyoto, Nara and Osaka Prefectures.

Kyoto Research Park was set up to utilize the resources of the high-tech industry, traditional culture and academia to develop an international information exchange network and to offer a research and development support system. Kyoto Research Park contains fully equipped laboratories and facilities for exchanges between academic researchers, government officials and the business community. Also available are rental office space and support for the development of research and development enterprises.

In addition, the park contains an international business center, business support center and international convention and conference facilities. There is also a training facility.

Hospitality has not been forgotten. Kyoto Research Park contains numerous restaurants and shops, a hotel, a gymnasium with pool and tennis courts, and a tree-lined mall.

Kansai Science City is a national project, a center for international, creative, interdisciplinary research, and a nucleus for the promotion of culture and academic research. The aim of the center is to promote not only the natural sciences but also the humanities and the social sciences. ●

Rich Convention Resources

With so much to see and do, it's little wonder that Kyoto is one of the top choices for conventions.

The Kyoto Convention Bureau manages 150 conference facilities around the prefecture, as well as hotels, travel agents and other service providers. Services include convention guides, brochures and maps, tours, events for special functions and site inspections.

Kyoto welcomes conventions of all sorts, and the Kyoto Convention Bureau, a nonprofit organization supported by the Kyoto Prefectural Government, the Kyoto Municipal Government, the Kyoto Chamber of Commerce and Industry, the Kyoto Prefectural Tourism Association, the Kyoto City Tourist Association and the Kyoto International Conference Hall, is always ready to assist with planning Kyoto conventions.

The bureau publishes a newsletter and offers a 20-minute video called "Kyoto, the Convention City." It can also provide interest-free loans to international conferences for preparation costs. These loans are for up to 5 million yen ($42,000) and must be repaid within one month of the end of the conference. The loans require two Japanese citizens to serve as cosigners or guarantors.

Of course, visitors to Kyoto don't want to spend all their time in a convention hall. What better way to get to know the city than by meeting its residents?

Through the Kyoto International Community House, visitors can meet Kyotoites who are interested in exchange activities and are eager to share their knowledge. Homestay volunteers, volunteer interpreters/translators and cultural exchange volunteers are all willing to assist the visitor.

Homestay volunteers welcome guests into their homes and give them the opportunity to directly observe daily life in a Japanese household.

Volunteer interpreters and translators accompany visitors on sightseeing tours, serve as an information resource and assist with translating information guides and other materials.

Cultural volunteers give lessons on flower arrangement, Japanese calligraphy, Japanese language, origami and other traditional arts at the local Kyoto International Community House.

Fresh Blueprint For 21st Century

New facilities and transport links are planned.

With the approach of the 21st century, the city and prefecture of Kyoto are making plans to develop the region in ways that utilize the best of modern technology while preserving the best of the traditional.

In the northern part of the prefecture, along the Japan Sea coast, a number of Foreign Access Zones (FAZs) are planned. In the center of the prefecture, Kyoto city will be developed as a major tourist center. The southern part of the prefecture will serve as a major center for science and technology.

Coastal trade zones

Kyoto Prefecture's most ambitious plan is to develop the area along the Japan Sea coast with FAZs. In the picturesque town of Maizuru, the Maizuru 21 project is now under way. Scheduled to open this year, Maizuru 21 is a 19,000-square-meter FAZ complex that includes a 6,800-square-meter assistance center and a 5,500-square-meter distribution center.

The Support Center, a facility to assist companies in the trading sector, includes office space, an information center and a dining area. The Distribution Center provides storage for goods and assists in approving them for distribution. In addition, an import showroom and information on trade are available. Other facilities include an import bazaar and meeting rooms.

With its location on the Japan Sea, Maizuru 21 is strategically located to serve customers throughout the East Asia region, from Russia to the Korean Peninsula and China, as well as Japan.

The prefecture plans to further develop the tourism industry in both central and southern Kyoto Prefecture. In the city of Kyoto, the prefectural government runs the Kyoto museum, the annex of which has been designated by the government as an "important cultural property," because of its unusual Western-style architecture.

The city of Kyoto is also preparing for the 21st century. The Industrial Revitalization Plan includes the promotion of traditional industries such as silk-weaving and offers incentives to attract venture business capita. It also has plans to attract small and medium-sized companies.

The revitalization plan will encourage the making of "goods that are indicative of Kyoto's spirit" and will allow a major role for city management. Efforts will be made to strengthen the base of core businesses and promote next-generation industries as well as venture businesses. In addition, traditional industries and the so-called "culture industries" will continue to be developed, and artistic design industries will be promoted.

Better rail access

The centerpiece for Kyoto's 21st-century plan is the recently completed Kyoto Station terminal. Opened this past summer, the 238,000-square-meter station has been transformed into a grand gateway. Facilities include hotel, shopping and convention facilities as well as improved rail access. Kansai International Airport is only a little more than an hour away, thanks to the new Haruka express train. Passengers can complete boarding procedures, including baggage check-in, before reaching the airport at the new City Air Terminal.

A new information center, located on the second floor above the Grand Concourse, will provide updated flight information and assistance to visitors, and there is a multivision screen with flight and train information. Also included is an international exchange center, being built by Kyoto Prefecture.

The new Kyoto Station also houses a luxury department store, specialty shops and a wide range of restaurants. A 1,000-seat capacity theater is equipped with sound and light features for shows and lectures. The Hotel Granvia, in the station's west wing, is a 539-room luxury hotel with some of the most convenient facilities in the city. ●

"Kyoto: A Synergy of Tradition and Innovation" *was produced in its entirety by the Advertising Department of the International Herald Tribune.*
Writer: *Eric Johnston in Osaka.*
Program Director: *Bill Mahder.*

We made 10 promises to ourselves before developing this camera.

❶ Combine the best from East and West. We began by introducing Carl Zeiss' proud German artisan culture to Kyocera's high-tech Japanese laboratories. ❷ Design it for a discerning market. While inexpensive SLR cameras dominate the market, the RTS III was made for those who appreciate immaculate quality. ❸ Spare no expense. Matching the precision optics of Carl Zeiss lenses and meeting our own high standards was a costly endeavor, but excellence has a price. ❹ Provide a platform for unparalleled optics. Some believe that Zeiss optics are so advanced no film can do justice to its top lenses. In the RTS III Kyocera decided to create a camera body that could prove it.

❺ Achieve the ultimate in film flatness. A Real Time Vacuum mechanism was developed to draw the film incredibly flat against an ultra fine, rigid ceramic pressure plate. ❻ No autofocus. To use the complex Carl Zeiss T* lens, the RTS III would have to employ an extremely precise manual-focus system. ❼ Design a viewfinder for professionals. Professionals require an exceptionally bright viewfinder. That in turn prompted us to develop a larger, high-performance optical pentaprism. ❽ Aspire to create the most rigid body and lens mount ever produced. A camera strong enough to hold Zeiss' complex lenses, yet light enough to handle, required improved body rigidity and a stronger mount.

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Preserve the legendary Carl Zeiss name.
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a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; s- None; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rits; - @ Offer Price Incl. 3% prelim. charge; * - Paris exchange; ++ -Amsterdam exchange; a - misquoted earlier; n-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

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WORLD ROUNDUP

Another Victory For Wust in Vuelta

CYCLING Marcel Wust of Germany captured the fifth stage of the Tour of Spain on Wednesday, his third victory in this year's race, while Lars Michaelsen of Denmark reclaimed the overall lead.

Wust had already won the second and third stages in Spain, the third big cycling race of the season after the Tour de France and the Italian Giro.

About a dozen other riders finished with the same time as Wust — 5 hours 43 minutes 27 seconds — including Giancarlo Raimondi and Alessio Di Basco of Italy, Laurent Jalabert of France and Angel Edo of Spain.

Michaelsen finished in the main pack and regained the overall lead from Fabrizio Guidi of Italy, who punctured a tire near the finish. Michaelsen took the lead in the opening stage and held it until Tuesday when he gave way to Guidi.

Wednesday's 229-kilometer (142-mile) stage from Jerez de la Frontera to Malaga was the last flat stage before the riders move Thursday to the Sierra Nevada range — the highest mountains in continental Spain. *(AP)*

Fittipaldi Should Recover Fully From Leg Paralysis

MOTOR RACING The champion driver Emerson Fittipaldi remained partly paralyzed Wednesday from a plane crash, but chances are "almost 100 percent" he will be able to walk again after surgery, his doctors said.

A vertebra in Fittipaldi's lower spine was shattered Sunday when the ultralight plane he was piloting crashed near his home in Brazil. The 50-year-old driver, a two-time winner of the Indianapolis 500, was flown to Miami for further treatment. The paralysis was in his left leg, doctors said. A team of 10 physicians were planning to operate on Thursday to reconstruct the shattered vertebra with a bone graft and titanium rods and screws.

"He has a minimal degree of paralysis and numbness at this point," said a neurologist, Dr. Barth Green. "I think the chances are almost 100 percent he'll be able to walk."

Dr. Green said the driver could be out of the hospital within a week, but would have to wear a brace for about six months. *(AP)*

Graf Plans Her Return

TENNIS Steffi Graf plans to return to competitive tennis on Nov. 25 in Baltimore, five months after undergoing knee surgery.

The 28-year-old German, who holds the record for most weeks ranked No. 1, has dropped to No. 13. Graf will play Chanda Rubin in the exhibition, the First Union-Signet Bank Tennis Challenge at Baltimore Arena. Graf, winner of 21 Grand Slam singles titles and 103 singles titles, has not played since losing to Amanda Coetzer in the quarterfinals of the French Open on June 3. *(AP)*

Bulgaria Secures Berth in Finals

Compiled by Our Staff From Dispatches

Bulgaria gained a place in the World Cup finals on Wednesday by beating Russia, 1-0, with a headed goal by a defender, Trifon Ivanov.

Ivanov headed home Hristo Stoichkov's cross from the left in the 55th minute of their European Group Five qualifier in Sofia to give the Bulgarians an unassailable four-point lead over Russia with one match to play.

The Bulgarians raised their arms in victory salutes and embraced as loud cheers erupted from the home crowd.

Bulgaria now has 18 points from seven matches. The Russians, who have 14 points, cannot catch the Bulgarians even if they beat them in the final match in Moscow next month.

Russia, who needed at least a draw in Sofia and victory in the return match at home, pushed forward after conceding the goal but created few clear openings. Yuri Nikiforov's rasping free-kick flashed narrowly wide and the Russians were mostly restricted to other long-range efforts.

Bulgaria had several chances to increase its lead but was kept at bay by the Russian goalkeeper, Sergei Ovchinnikov.

Austria 1, Belarus 0 Austria solidified its World Cup qualifying chances by defeating Belarus, 1-0, in a drizzling rain in Minsk to vault back over Scotland and into the lead of their qualifying group.

Heimo Pfeifenberger's goal in the 50th minute provided the only scoring despite many chances by both sides.

As Austria began the second half in attacking mode, Harald Cerny passed the ball from the right corner flag to Pfeifenberger, who directed it past the Belarusian goalkeeper, Andrei Satsunkevich, and into the goal's left corner from about 9 meters out.

The victory was the seventh for Austria (7-1-1) in nine Group 4 qualifying matches, giving it 22 points to 20 for Scotland, which has played the same number of games.

Belarus (1-1-7) is tied with Estonia for last in the group.

The Belarusians did have several near-goals in the first half, losing one when an apparent score by Miroslav Romashchenko was nullified because of an offsides call. But Austria clearly outplayed the hosts and now appears in position to clinch a World Cup '98 spot. After Pfeifenberger's goal, there were few scoring chances by either side despite dynamic play.

Belarus's Valentin Belkevich went one-on-one with a defender in front of the Austrian goal in the 67th minute but couldn't get a shot off.

Italy 0, Georgia 0 In Tbilisi, heavily favored Italy put its leadership in Group Two at risk by managing only a scoreless draw against Georgia in their World Cup qualifying match.

Second-place England was to play Moldova in a later Group Two game.

In a strategy that backfired, the Italian team waited until the last part of the match to field its best strikers — Filippo Inzaghi, Pierluigi Casiraghi and Roberto Baggio — depriving its offense of most of its potential. The team still had three clear scoring chances in the last 20 minutes, but decisive saves by the Georgian goalie, Nika Togonidze, prevented the visitors from scoring a much-needed victory.

The draw left the Italian team unbeaten in seven qualifying matches, with a record of 5-2-0 and 17 points. But it made Italy's task in its last match in Group Two — against England in Rome on Oct. 11 — that much more difficult.

Italy was overly defensive during the first half, leaving the striker Christian Vieri of Atletico Madrid, isolated in front. The Italians were also clearly worried by the fast actions of the Georgian team led by its most talented player, Temur Ketsbaja. Ketsbaja plays in the English Premiere League with Newcastle.

Archil Arveladze and Brothers Shota, who play in the Dutch league, also put Italian defenders under steady pressure in the first part of the match. Indeed, Italy's only clear first-half chance came in the first minute when a long-distance shot by Chelsea's striker, GianFranco Zola, hit the bar.

A more determined and offensive Italy had two scoring opportunities with midfielder Dino Baggio, whose powerful shots were saved by Togonidze.

In the last minute of play, the Juventus striker Filippo Inzaghi saw his shot stopped by the Georgian goalie just on the net line.

"The team played a good second half — we had chances but could not score," said the Italian coach, Cesare Maldini. "I'm not disappointed with the result. I am a bit disappointed with the first half performance. We will think of England in due time."

Albania 1, Northern Ireland 0 Albania picked up its first victory in World Cup qualifying with a 1-0 victory over Northern Ireland in a match played on neutral ground in Switzerland because of continuing civil unrest in Albania.

Albania got the winner in the 69th minute on a strike by Altin Haxhi. The goal gave the team its only victory in its ninth game in Group Nine. The Albanians' only previous point came in a 1-1 draw with Armenia.

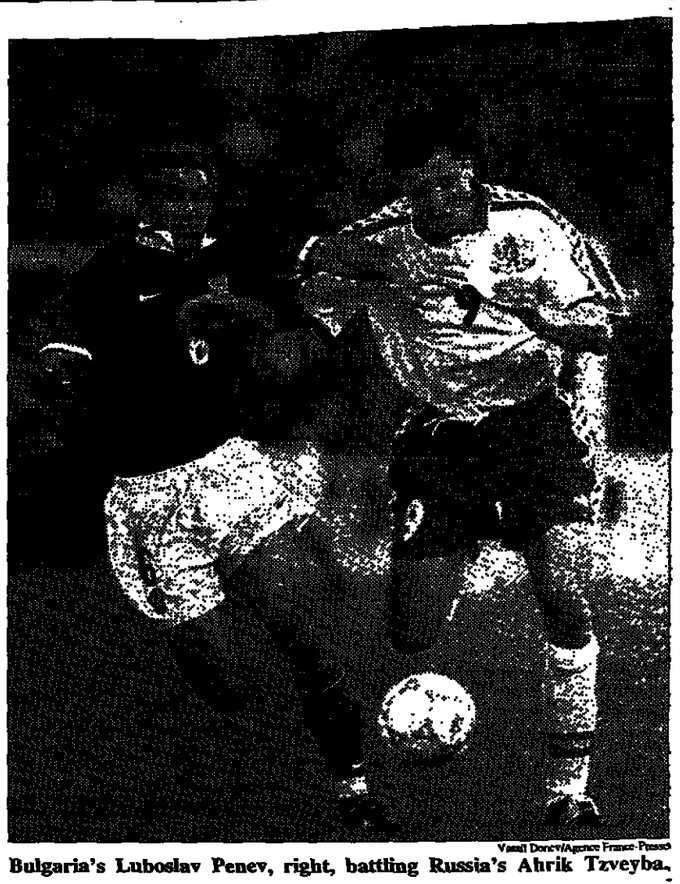
Northern Ireland has seven points in nine games and, like Albania, has no chance of qualifying for the World Cup next year in France.

Haxhi scored from 18 meters as his shot beat Northern Ireland's goalkeeper, Tommy Wright, after a defender, Colin Hill, failed to clear the ball from danger.

Both teams observed a minute's silence before the match for Princess Diana and Mother Teresa.

Ukraine, Germany and Portugal are fighting for the top spots in the group. A victory by Germany in a later game, Wednesday over Armenia would put it atop the group. *(Reuters, AP)*

WORLD CUP QUALIFIERS



Vasil Donev/Agence France-Presse

Bulgaria's Luboslav Penev, right, battling Russia's Ahrik Tzveyba.

For Europeans, Cash Starts to Become a Big-Time Player

By John Tagliabue
New York Times Service

LONDON — Sports mania is hardly a new phenomenon in Europe, where in many countries soccer is almost a religion. But sports as a business here has long been decidedly minor league compared with the big-money madness across the Atlantic.

Suddenly, however, driven by a revolution in European television, the commercialization of sports on a very American scale is spreading across Europe, with everything from emblazoned merchandise to theme restaurants to rising ticket prices.

Take Manchester United, the soccer team that is arguably the biggest commercial success in British sports. Last year, the league that Manchester plays in pocketed $1.1 billion for four years of television rights, almost four times what it got in 1992, and Manchester will get a nice share of the take.

The club rakes in an additional $29 million on merchandising. It owns its own stadium, and fans swarm through three sporting goods stores under the bleachers and line up for tables at the Red Café, the team restaurant.

What's propelling this wave of change? Mainly, European sports are being borne aloft by an explosion of cable and digital television as state broadcasting monopolies crumble. And while Manchester United is clearly in the front ranks of this revolution, the phenomenon shows no signs of stopping at the English Channel.

Not that the revolution is complete. In Milan, for instance, Adriano Galliani's eyes light up when he talks about Manchester United. Mr. Galliani is managing director of AC Milan, one of Italy's leading soccer franchises, but his club lost $25 million last year. The money for television rights is divided among too many teams, he complains, and revenue from selling Milan jerseys and other paraphernalia is crimped by counterfeits.

Besides all that, Mr. Galliani is struggling with the city of Milan over San Siro, the 85,000-seat stadium the city owns, where the team not only pays rent but also forfeits some of the revenue on food and parking.

Still, Italy's broadcasters paid $27 million to broadcast last year's soccer season, triple the sum paid five years ago. In Germany, the amount rose to $143 million from $81.5 million. With pay television spreading quickly, revenue is expected to keep climbing, and the increased air time has led to a boom in sales of everything from jerseys to soccer balls to videocassettes of games.

Many changes are American-inspired, and companies such as Walt Disney Co. and its ESPN network have acquired European partners. Sporting-goods companies such as Nike, Reebok and the Footlocker unit of Woolworth Corp., as well as the merchandising arms of the National Football League and the National Basketball Association, are elbowing in.

But if all of this sounds like an echo of what happened in the United States, European sports executives are taking change a step further.

Plans are afoot to transform franchises into leisure businesses, with restaurants and pubs, vacation clubs and television stations. And in contrast to their counterparts in America, where most teams are the playthings of rich individuals, the European teams are turning to the stock market for capital.

In Britain, 18 soccer teams have stock listings. Last year, Italy's government transformed the nation's soccer teams from nonprofit organizations into for-profit corporations, paving the way for stock-market listings. Germany is expected to take a similar step next year.

Much of the change still affects only soccer, which rules the roost in Europe, in contrast to America, where football, basketball, baseball, tennis and hockey vie for public attention. But lesser sports are caught up in the change as well. In Britain, several rugby franchises, such as the Sheffield Eagles, have sold shares, and cricket, baseball's venerable cousin, has shortened game times to primp itself for television.

"Only in the last few years have sports come out of the wilderness," said Richard Baldwin, a partner at Deloitte & Touche in London, which specializes in the business of sports.

THE CHANGES have their downsides for fans. In Britain, soccer ticket prices have risen an average of 11 percent in five years, and fan anger over the shifting of sports to pay-for-view TV is growing. In the Netherlands, protests were so loud over a new pay-per-view venture that it had to close down.

The flood of money also has inflated players' salaries. This summer, the Italian soccer club Inter set a European record when it offered a package of $42 million for the dazzling young Brazilian forward Ronaldo.

Share prices of soccer franchises have proven wildly volatile. The index that tracks Britain's publicly traded soccer teams crashed to 650 points in August from almost 900 in February as the market became inundated with new issues and a 1995 European Union decision allowing free movement of players began to inflate salaries further.

Moreover, the rampant commercialization is provoking a backlash among some fans and owners.

"Is it good for the fans?" asked Cristian Ratti, 23, a law student and Inter fan browsing recently among Inter jerseys at a Footlocker store in Milan. "Sure. Morally, I'm not so sure."

The pace of change varies. British Sky Broadcasting, controlled by Rupert Murdoch's News Corp., created the national market for satellite television. Britain now has more than 6 million satellite dishes, compared with virtually none in Italy and Spain.

The struggle for overall control of television revolves increasingly around sports. Last year, when an Italian media entrepreneur, Vittorio Cecchi Gori, outbid the national network, RAI, for soccer rights, the government annulled the result and made both sides share the rights. In Spain, a private digital broadcaster, Canal Satelite Digital, is locked in a battle over soccer rights with a government-sponsored company, Via Digital.

The changes in British soccer were accelerated by a wave of soccer violence in the 1980s and the deaths of 96 fans in 1989 at the Hillsborough Stadium in Sheffield. Under government pressure, the league reorganized itself, stadiums were refurbished, and a drive began to attract more women and families.

All this cost money, of course, which is why the teams turned to the stock market. Though only two American teams are quoted on a stock exchange — the Boston Celtics, in basketball, and the Florida Panthers, in hockey — in Britain a trickle soon became a flood.

Some sports executives are apprehensive about the heavy spending for players, which produces losses at many of Britain's soccer clubs. "The single biggest challenge," Mr. Baldwin said, "will be to control what players earn."

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WORLD GAMES

"Things hotting up even before commencement of the 1st World Air Games long distance air race, due to strong winds, heavy rain and turbulence"

Reykjavik, Iceland, Sept 9th.
The Federation Aeronautique Internationale (FAI) is organizing the first World Air Games in September, 1997. The Türk Hava Kurumu (National Aeroclub of Turkey) is hosting the games, and all recreational flight disciplines will be represented, from ultralights and hot air ballooning to precision flying. As a key component of this major event, the "Long Range Air Race" is a speed contest from Iceland to Turkey. The French association Aro en Ciel provides organizational and technical support.
19 crews, representing 12 nationalities, and flying single or twin engine light aircraft, will take off from Reykjavik on Thursday morning, to reach Strasbourg, France. Things are hotting up even before commencement of the race. Crews arriving from the States had the advantage of strong tailwinds, while poor Erik and Ingrid Bancks, the Swedish team "Go Johnny Go" battled fierced headwinds and turbulence en route from Scottland. One of the Us teams, "Carolina Belle", with Karole Jensen and Jeanne Cook, en route from Goose Bay in their single engine Mooney, lost their engine 130 miles out to sea. An immediate return to land was made and after restarting the engine they decided to continue on to Reykjavik. Subsequently the engine faltered five times before arriving safely in Iceland. Canadian team "Canuk" diverted yesterday to Montreal because of a crack in engine case. The engine was changed and they could safely have a drink in the hotel. Fortunately, weather forecasts improve, and the Icelanders are very helpful and friendly.

Herald Tribune

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BASEBALL

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AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	89	53	.627	—
New York	81	61	.570	8
Detroit	70	74	.486	20
Toronto	70	74	.486	20
Boston	69	75	.479	21
CENTRAL DIVISION				
Cleveland	76	64	.543	—
Milwaukee	72	71	.503	5½
Chicago	70	74	.486	8
Minnesota	59	84	.413	18½
Kansas City	58	84	.408	19
WEST DIVISION				
Seattle	80	65	.552	—
Anaheim	75	70	.517	5
Texas	67	78	.462	13
Oakland	58	87	.400	22

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	90	54	.625	—
Florida	84	59	.587	5½
New York	77	66	.538	12½
Montreal	72	71	.503	17½
Philadelphia	58	83	.411	30½
CENTRAL DIVISION				
Houston	73	71	.507	—
Pittsburgh	70	75	.483	3½
St. Louis	67	77	.465	6
Cincinnati	65	78	.455	7½
Chicago	60	85	.414	13½
WEST DIVISION				
Los Angeles	81	64	.559	—
San Francisco	79	65	.549	1½
Colorado	73	72	.503	8½
San Diego	68	77	.469	13

TUESDAY'S LINESCORES

AMERICAN LEAGUE

Texas 000 000 000—0 7 0
Detroit 040 000 00x—4 6 0
Helling, Bailes (8), Wetteland (8) and I. Rodriguez; S.Sanders and Jensen. W—S. Sanders, 5-12. L—Helling, 2-2.

Oakland 000 002 210—5 12 0
Minnesota 000 001 000—1 4 0
Haynes, Taylor (9) and Mallmey; Hawkins, Swindell (6), Ritchie (8), Guardado (9) and Steinbach. W—Haynes, 3-3. L—Hawkins, 5-11. HR—Oakland, Brosius (11).

Anaheim 000 000 000—0 3 1
Toronto 010 000 01x—2 4 0
K.Hill, Holtz (8), Percival (8) and Kreuter; Carpenter and B.Santiago. W—Carpenter, 2-7. L—K. Hill, 7-12.

New York 101 015 000—8 12 1
Boston 010 500 000—6 9 0
Gooden, Banks (4), Stanton (7), M. Rivera (9) and Posada; Saberhagen, Avery (6), D. Lowe (6), Mahay (7), Hudson (8) and Hatteberg. W—Banks, 1-0. L—D. Lowe 2-5. Sv—M. Rivera (41).

Milwaukee 000 000 100—1 5 0
Chicago 120 000 00x—4 7 0
J.Mercedes, Davis (8), A. Reyes (8) and Matheny; Stanett (7); Eyre, N. Cruz (7), Sirotka (8), J. Darwin (9), T. Castillo (9) and Fabregas. W—Eyre, 3-3. L—J. Mercedes, 6-9. Sv—T. Castillo (2). HRs—Chicago, Da.Martinez (12), Cameron (14).

Baltimore 001 006 020—9 13 1
Cleveland 110 100 000—3 8 0
Krivda, A. Benitez (7) and Webster; Ogea, A. Lopez (6), Jacome (6), Plunk (9) and S. Alomar, Borders (7). W—Krivda, 4-0. L—Ogea, 6-9. HRs—Baltimore, By.Anderson (17), Surhoff (25).

Seattle 000 011 101—4 9 2
Kansas City 100 020 000—3 8 1
Clonde, Holzemer (5), Ayala (5), Charlton (7), Tinslin (8), Slocumb (9) and Da.Wilson, Marzano (7); Belcher, Bevil (6), Whisenant (8), Pichardo (9) and Macfarlane. W—Tinslin, 5-4. L—Pichardo, 2-5. Sv—Slocumb (23). HRs—Seattle, Buhner (34), Ducey (4).

NATIONAL LEAGUE

Chicago 100 001 000—2 8 2
Cincinnati 040 000 10x—5 8 0
Je.Gonzalez, R. Tolls (7), Bottenfield (7), T. Adams (8) and Servais; Morgan, Bellinda (7), Shaw (9) and J. Oliver. W—Morgan, 7-11. L—Je.Gonzalez, 11-7. Sv—Shaw (34). HR—Cincinnati, Stynes (4).

Philadelphia 000 000 010—1 4 0
New York 000 000 00x—6 6 1
T.Green, Bottalico (9) and Lieberthal; Mlicki, Rojas (9) and Hundley, Pratt (2). W—T. Green, 4-3. L—Mlicki, 7-11. Sv—Bottalico (29). HR—Philadelphia, Brogna (19).

Pittsburgh 010 200 000 1—4 12 2
Montreal 000 110 100 2—5 11 1
Loaiza, Wallace (7), M. Wilkins (7), Christiansen (8), Rincon (9), Loiselle (10) and Kendall; C.Perez, Bennett (8), Urbina (9) and Fletcher; Widger (8). W—Urbina, 5-8. L—Loiselle, 1-4.

Houston 301 000 201—7 11 1
Colorado 000 101 020—4 8 1
Hampton, T. Martin (8), R. Springer (9) and Ausmus; Jm.Wright, Leskanic (8), Holmes (9) and Manwaring. W—Hampton, 13-9. L—Jm.Wright, 6-11. Sv—R. Springer (3). HRs—Houston, De.Bell (13), Spiers (3). Colorado, Bichette (23).

St. Louis 020 000 210—5 8 2
San Francisco 001 110 000—3 4 0
Aybar, Painter (7), C. King (8), Eckersley (9) and Marrero, Lampkin (7); Mulholland, D. Henry (7), R. Rodriguez (7), Tavarez (8) and B. Johnson. W—Aybar, 2-4. L—Mulholland, 6-13. Sv—Eckersley (34). HRs—St. Louis, McGwire (15), Lankford (27), Gaetti (16).

Atlanta 011 001 101—4 9 0
Los Angeles 010 100 001—3 6 1
Smoltz, Wohlers (9) and J. Lopez; I.Valdes, Dreifort (7), Radinsky (8), Osuna (9) and Piazza. W—Smoltz, 14-11. L—I. Valdes, 9-11. Sv—Wohlers (33). HRs—Atlanta, Blauser (16). Los Angeles, Piazza (34).

Florida 001 500 000 000 1—7 15 2
S. Diego 000 220 101 000 1—7 15 2
(13 innings): A.Leiter, F. Heredia (7), Stanifer (7), Veslberg (8), Nen (9), Cook (10), Alfonseca (11), Ojeda (12) and C. Johnson; Menhart, Cumnane (4), Eiden (5), H. Murray (6), Kroon (7), Hitchcock (8), Hoffman (9), D. Veras (11). Tl.Worrell (12) and Flaherty; C.Hernandez (9) Romero (13). W—Tl.Worrell, 4-8. L—Ojeda, 1-1. HRs—San Diego, S.Finley (26), G. Vaughn (15), Cr.Jones (6).

AMERICAN LEAGUE LEADERS

	G	AB	R	H	Avg.
FThomas ChW	129	469	100	166	.354
Justice Cle	119	419	77	141	.337
BeWilliams NYY	112	440	94	146	.332
EMartinez Sea	142	497	96	165	.332
Ramirez Cle	131	483	86	159	.329
SAlomar Cle	112	411	66	133	.324
Greer Tex	141	539	95	173	.321
ONeill NYY	123	497	80	159	.320
OLeary Bos	128	436	58	138	.317
MVaughn Bos	123	460	85	146	.317

RUNS—Garciaparra, Boston, 112; Griffey Jr, Seattle, 112; Knoblauch, Minnesota, 108; Jeter, New York, 107; BLHunter, Detroit, 100; F. Thomas, Chicago, 100; TaClark, Detroit, 97.

RBI—Griffey Jr, Seattle, 134; T. Martinez, New York, 128; Salmon, Anaheim, 116; F. Thomas, Chicago, 114; JuGonzalez, Texas, 110; T. aClark, Detroit, 109; ONeill, New York, 107.

HITS—Garciaparra, Boston, 188; Greer, Texas, 173; Jeter, New York, 171; JhValentin, Boston, 168; Griffey Jr, Seattle, 167; I. Rodriguez, Texas, 166; FThomas, Chicago, 166.

DOUBLES—JhValentin, Boston, 46; Cirillo, Milwaukee, 41; Cora, Seattle, 39; O. Neill, New York, 39; Belle, Chicago, 38; Garciaparra, Boston, 36; ARodriguez, Seattle, 36.

TRIPLES—Garciaparra, Boston, 10; Knoblauch, Minnesota, 9; Damon, Kansas City, 7; Jeter, New York, 7; B. LHunter, Detroit, 7; Burnitz, Milwaukee, 7; Alicea, Anaheim, 7; ByAnderson, Baltimore, 7.

HOME RUNS—Griffey Jr, Seattle, 50; T. Martinez, New York, 41; Thome, Cleveland, 37; JuGonzalez, Texas, 34; Buhner, Seattle, 34; McGwire, Oakland, 34; FThomas, Chicago, 33; R. Palmeiro, Baltimore, 33.

STOLEN BASES—B. LHunter, Detroit, 66; Knoblauch, Minnesota, 56; Nixon, Toronto, 47; TGoodwin, Texas, 44; Vizquel, Cleveland, 40; Durham, Chicago, 31; A. Rodriguez, Seattle, 29.

PITCHING (16 Decisions)—Ra.Johnson, Seattle, 17-4, .810, 2.32; Clemens, Toronto, 21-5, .808, 1.85; Mayer, Seattle, 15-4, .789, 3.54; Erickson, Baltimore, 16-5, .762, 3.20; Blair, Detroit, 14-6, .727, 3.96; Hershiser, Cleveland, 13-5, .722, 4.42; Pettitte, New York, 14-7, .696, 2.98.

STRIKEOUTS—Ra.Johnson, Seattle, 264; Clemens, Toronto, 258; Cone, New York, 215; Mussina, Baltimore, 197; Fassero, Seattle, 169; Appier, Kan. City, 168; CFinley, Anaheim, 155.

SAVES—M. Rivera, New York, 41; RaMyers, Baltimore, 41; DeJones, Milwaukee, 32; Wetteland, Texas, 28; TaJones, Detroit, 27; R. Hernandez, Chicago, 27; Percival, Anaheim, 23; Hernandez, Seattle, 23; Aguilera, Minnesota, 23.

NATIONAL LEAGUE LEADERS

	G	AB	R	H	Avg.
LWalker Col	139	516	130	192	.372
Gwynn SD	135	535	83	197	.368
Piazza LA	135	490	92	175	.357
Lofton Atl	106	441	80	152	.345
Joyner SD	119	408	53	138	.338
Alfonzo NYM	132	453	72	147	.325
McGriff ChC	135	499	78	162	.325
Galarraga Col	138	539	108	174	.323
Bichette Col	135	505	72	159	.315
Biggio Hou	144	565	127	176	.312

RUNS—L. Walker, Colorado, 130; Biggio, Houston, 127; Galarraga, Colorado, 108; Bonds, San Francisco, 103; McYoung, Los Angeles, 99; Bagwell, Houston, 96; Piazza, Los Angeles, 92; SFinley, San Diego, 92.

RBI—Galarraga, Colorado, 126; Bagwell, Houston, 117; L. Walker, Colorado, 113; Gwynn, San Diego, 110; Sosa, Chicago, 109; Bichette, Colorado, 109; ChJones, Atlanta, 108.

HITS—Gwynn, San Diego, 197; L. Walker, Colorado, 192; Biggio, Houston, 176; Piazza, Los Angeles, 175; Galarraga, Colorado, 174; Mondesi, Los Angeles, 169; Castilla, Colorado, 167.

DOUBLES—Grudzielanek, Montreal, 50; Gwynn, San Diego, 43; Lansing, Montreal, 42; LWalker, Colorado, 42; ChJones, Atlanta, 38; Mondesi, Los Angeles, 37; Morandini, Philadelphia, 37.

TRIPLES—DeShields, St. Louis, 12; W. Guerrero, Los Angeles, 9; Randa, Pittsburgh, 9; Womack, Pittsburgh, 9; McYoung, Los Angeles, 8; Doulton, Florida, 8; 5 are tied with 7.

HOME RUNS—L. Walker, Colorado, 42; Castilla, Colorado, 38; Bagwell, Houston, 38; Galarraga, Colorado, 36; Piazza, Los Angeles, 34; Sosa, Chicago, 32; Bonds, San Francisco, 32.

STOLEN BASES—D. Sanders, Cincinnati, 56; Womack, Pittsburgh, 52; D. eShields, St. Louis, 46; McYoung, Los Angeles, 42; Biggio, Houston, 38; G. Veras, S.Diego, 31; L. Walker, Col., 31.

PITCHING (16 Decisions)—Neagle, Atlanta, 20-3, .870, 2.42; Estes, San Francisco, 18-4, .818, 3.07; G. Maddux, Atlanta, 18-4, .818, 2.31; Kile, Houston, 17-6, .739, 2.42; P. JMartinez, Montreal, 16-7, .696, 1.76; Juden, Montreal, 11-5, .687, 4.22; Park, Los Angeles, 13-6, .684, 3.31.

STRIKEOUTS—Schilling, Philadelphia, 250; P. JMartinez, Montreal, 266; Smoltz, Atlanta, 216; Nomo, Los Angeles, 207; KJBrown, Florida, 189; Kile, Houston, 184; AnBenes, St. Louis, 175.

SAVES—Beck, San Francisco, 35; JoFranco, New York, 35; Shaw, Cincinnati, 34; TeWorrell, Los Angeles, 34; Eckersley, St. Louis, 34; Hoffman, San Diego, 33; Wohlers, Atlanta, 33.

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	69	45	2	.605	—
Yokohama	62	51	—	.549	6.5
Hiroshima	58	54	—	.518	10.0
Hanshin	53	63	1	.457	17.0
Yomiuri	53	64	—	.453	17.5
Chunichi	50	68	1	.424	21.0

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	66	46	3	.589	—
Orix	58	49	3	.542	5.5
Kintetsu	56	58	4	.491	11.0
Daiei	53	61	1	.465	14.0
Nippon Ham	54	63	1	.462	14.5
Lotte	50	60	2	.455	15.0

WEDNESDAY'S RESULTS

CENTRAL LEAGUE
Yakult 9, Chunichi 6
Yomiuri 8, Yokohama 2
Hanshin 5, Hiroshima 4

PACIFIC LEAGUE
Kintetsu 1, Seibu 1
Lotte 5, Orix 3
Nippon Ham 5, Daiei 1

CYCLING

TOUR OF SPAIN

Leading placings in Wednesday's 203.8km, 5th stage from Jerez de la Frontera:
1. Marcel Wust, Germany, Lotus, 5 hours 43 minutes 27 seconds
2. Giancarlo Raimondi, Italy, Brescialat
3. Angel Edo, Spain, Kelme
4. Alessio di Basco, Italy, Saeco
5. Laurent Jalabert, France, ONCE
6. Jurgen Werner, Germany, Refin
7. Sven Teutenberg, Germany, U.S. Postal
8. Samuele Schiavina, Italy, Asics
9. Max van Heeswijk, Neth., Rabobank
10. Lars Michaelsen, Denmark, TVM, all s.t.

OVERALL: 1. Michaelsen 24 hours 12 minutes and 36 seconds; 2. Fabrizio Guidi, Italy, Scrigno two seconds behind; 3. Eleuterio Anguita, Spain, Estepona 8; 4. Jalabert 11; 5. Claudio Chiappucci, Italy, Asics, same time; 6. Angelo Canzonieri, Italy, Saeco 14; 7. Mauro Bettin, Italy, Refin, 16; 8. Francisco Cerezo, Spain, Estepona, 17; 9. Claus Moller, Denmark, Estepona; 10. Santiago Botero, Colombia, Kelme, s.t.

SOCCER

WORLD CUP QUALIFYING

EUROPEAN ZONE

GROUP ONE
Denmark 3, Croatia 1

GROUP TWO
Georgia 0, Italy 0

GROUP FOUR
Austria 1, Belarus 0
Sweden 1, Latvia 0

GROUP FIVE
Bulgaria 1, Russia 0

GROUP EIGHT
Romania 4, Iceland 0

GROUP NINE
Albania 1, Northern Ireland 0

DUTCH FIRST DIVISION
Groningen 4, NEC Nijmegen 0
Roda JC Kerkrade 0, Volendam 2
Ajax Amsterdam 3, RKC Waalwijk 0
STANDINGS: Ajax Amsterdam 12 Points; Feyenoord 9; Heerenveen 9; PSV Eindhoven 9; Twente Enschede 7, Groningen 7, Roda Kerkrade 6, NEC Nijmegen 6, Volendam 6, Graafschap Doetinchem 4, Vitesse Arnhem 4, NAC Breda 4, RKC Waalwijk 4, Utrecht 4, Sparta Rotterdam 3; Wilem II Tilburg 0, MVV Maastricht 0, Fortuna Sittard 0.

هكذا من الأصل

SPORTS

If Griffey Gets Hot...

Home Run Record Definitely in Reach

By Murray Chass
New York Times Service

Ken Griffey Jr. need look no further back than this season and other recent ones to find inspiration for the task that faces him in the next two and a half weeks. He may find it impossible to do what the task requires, but he can draw on the recent experiences of Mark McGwire and Albert Belle, or he can simply summon his own memories.

Going into Wednesday night's game, Griffey had 50 home runs and needed 12 in his final 17 games to break Major League Baseball's home-run record.

Players don't often hit 12 home runs in an 17-game period, but Griffey had collected seven in his previous nine games.

"All the power hitters have hot streaks," Buddy Bell, the Detroit Tigers' manager, said before taking his team to Seattle to play the Mariners on Wednesday and Thursday nights. "Griff's done it. McGwire. They all have."

Perhaps the most intriguing aspect of Roger Maris's record of 61 home runs is that it has withstood its challengers longer than Babe Ruth's legendary record of 60. It was 1927 when Ruth set what may always remain the best-known record in all sports history.

It was 34 seasons before Maris surpassed the record in 1961. This is the 36th season since Maris.

In recent seasons, players have swung their way closer to the record. For the first time in history, baseball has had players hit 50 or more home runs in three successive seasons.

Two years ago Belle slugged 50 for Cleveland, and last year McGwire hit 52 for Oakland and Brady Anderson 50 for Baltimore. Now Griffey has 50 and McGwire, with 49, will probably join him soon.

But 50 isn't 60 or 61 or 62, and right now fans and baseball personnel are asking themselves the same question: Can Griffey do it? Can McGwire do it? "It would create interest in the game," Bob Watson, the New York Yankees' general manager, said as one who would like to see one or both do it.

But 12 home runs in 17 games? Or, in McGwire's case, 14 home runs in 18 games? Griffey hit 10 home runs in a 12-game span in July. In 1994, when he had 40 before the strike short-circuited his attempt, he hit 14 in a 20-game span in May.

Last season McGwire hit 12 homers in 18 games in July. In 1995 Belle, who had only 19 home runs entering August, amassed 31 the last two months, finishing with a flourish. He hit 11 in 11 games and 14 in 16 games, those sprees coming in the latter half of September.

"I remember Albert was point blank on everything," said Bell, who was then a coach with the Cleveland Indians. "It didn't matter what they threw. I was quite frankly surprised that they gave him anything to hit. He was doing it in every situation, late in the game, early in the game, when we were up by eight, nine runs. Everything he hit was hard, not just home runs."

But Belle was not threatening the record because he started too far back. He hit 17 home runs in September to get to 50, matching Ruth's September output in 1927. (The record for a calendar month is 18, set by Rudy York of Detroit in August 1937.)

Watson, echoing others, said that the chances of Griffey and McGwire will depend to a large extent on whether pitchers throw them pitches they can hit.

"That's the thing," Watson said. "Both McGwire and Junior are going to run into the fact that they might not get pitched to."

Maris, Watson noted, had Mickey Mantle hitting behind him, and Mantle hit 54 home runs that season. "You couldn't stop pitching to him," Watson said of Maris, "because the other guy would knock the tar out of you. That's not to say the guys hitting behind Griffey and McGwire aren't good hitters, but they're not a threat to hit 54 home runs."

Yogi Berra, the Yankees' left fielder that season, recalled that pitchers generally did not try to avoid Maris. (Maris, in fact, walked 94 times; Mantle walked a league-leading 126.)

"They wanted to win, too," Berra said of the opposing pitchers. "You had Mickey up after him, and me and Ellie," referring to the catcher, Elston Howard.

It is generally not remembered that the Yankees played 163 games in 1961, playing one extra game because of a tie; Maris hit his 61st in the Yankees' 163d game, his 161st.

Bell said his decision on pitching to Griffey in Seattle would depend on circumstances.

"We're going to pitch to him when we need to," the Tigers' manager said. "Are we going to pitch around him because of the home run thing? Absolutely not."

Moe Doiron/The Associated Press

The Blue Jays' Tomas Perez awaiting the throw as the Angels' Tony Phillips soars in to steal second base.

Tigers Roll on One-Hitter by Sanders

The Associated Press

Scott Sanders pitched a one-hitter, allowing only a fifth-inning single to Domingo Cedeno, for his first career shutout as the Detroit Tigers defeated the Texas Rangers, 4-0.

Sanders (5-12), just 1-6 with a 6.04 ERA in 10 previous starts with Detroit, struck out a season-high eight and walked one on Tuesday night. He retired the first 14 batters before Cedeno singled cleanly to left-center field with two outs in the fifth.

Juan Encarnacion slugged a two-run triple for the host Tigers, who swept the two-game series and won for the ninth time in their last 12 games. The Rangers' Rick Helling (2-2) gave up six hits in 7⅓ innings, but four of them came in the second inning, when the Tigers scored all their runs.

Athletics 5, Twins 1 Jimmy Haynes struck out a season-high nine batters and Dave Magadan and Ben Grieve each had a pair of RBI singles to lead visiting Oakland over Minnesota.

Yankees 8, Red Sox 6 Wade Boggs and Steve Avery reprised their World Series showdown and Boggs won again,

AL Roundup

doubling to start a five-run sixth inning that rallied the Yankees in Boston. Avery, just demoted to the bullpen, was making his first relief appearance since Game 4 of last year's World Series when he walked Boggs in the 10th inning to force in the winning run. Boggs went 3-for-4 with an RBI and two runs scored.

Blue Jays 2, Angels 0 Rookie Chris Carpenter pitched a three-hitter for his first shutout as host Toronto won its fifth straight. Anaheim has lost seven of eight.

Orioles 9, Indians 3 Geronimo Berroa led off a six-run sixth with his 25th homer as visiting Baltimore stopped Cleveland's five-game winning streak in a game called after eight innings because of rain.

White Sox 4, Brewers 1 Scott Eyre, one of several young pitchers trying to earn a job with the new-look White Sox next season, allowed four hits in 6⅓ innings as Chicago defeated visiting Milwaukee.

Mariners 4, Royals 3 Rob Ducey hit a leadoff homer in the ninth to lift visiting Seattle over Kansas City. The victory increased first-place Seattle's lead over Anaheim to five games in the AL West with 17 games remaining.

Big 2d Inning Propels Reds Over Cubs

The Associated Press

Jon Nunnally singled home a run and Chris Stynes hit a three-run homer as the Cincinnati Reds scored four times in the second inning and held on for a 5-2 victory over the Chicago Cubs.

Nunnally and Stynes, the Reds' most impressive newcomers over the last month, combined for four of the Reds' seven hits off Jeremi Gonzalez (11-7), who could not overcome the one bad inning. Mike Morgan (7-11) allowed a pair of runs on six hits as he led the host Reds to their sixth victory in eight games. Jeff Shaw pitched the ninth for his 34th save.

Phillies 1, Mets 0 Rico Brogna sent the host Mets a little closer to elimination from postseason play by hitting an eighth-inning homer against his former team. On a sad night for the Phillies after the death of the Hall of Famer and longtime broadcaster Richie Ashburn, Brogna connected off Dave Mlicki (7-11) for his 19th homer and raised his RBI total to 77, one more than he had for New York in 1995.

Expos 5, Pirates 4 Henry Rodriguez hit a two-out RBI single to cap Montreal's two-run 10th.

After the visiting Pirates took a 4-3 lead in the top of the inning, Mark Grudzielanek started Montreal's rally with a one-out bloop double — his major league-leading 50th — off Rich

NL Roundup

Loiselle (1-4). Grudzielanek moved up on a groundout, and rookie pinch-hitter Jose Bidro hit an RBI single. Bidro went to third on David Segui's bloop single to center, and Rodriguez followed with his game-winning hit.

Astros 7, Rockies 4 Bill Spiers hit a three-run homer and Derek Bell added a two-run shot as visiting Houston won for just the third time in 12 games.

Mike Hampton (13-9) allowed eight hits in 7⅔ innings and won for the 10th time in his last 12 decisions. Russ Springer got two outs for his third save.

Cardinals 5, Giants 3 Mark McGwire hit his 49th home run in his return to the Bay Area. McGwire, traded from Oakland to St. Louis on July 31, homered for the 15th time since joining the Cardinals with a solo shot off Julian Tavarez.

Braves 4, Dodgers 3 In Los Angeles, John Smoltz rebounded from one of the worst outings of his career, allowing five hits in eight innings and getting 10 strikeouts. Smoltz (14-11), the 1996 NL Cy Young Award winner, walked none and retired his final 10 batters and 15 of the last 16. Mark Wohlers gave up an RBI groundout to Eric Karros in the ninth but got his 33rd save.

On Sept. 3, Smoltz allowed 10 hits and eight earned runs in 3⅓ innings in a 12-4 loss to the Detroit Tigers.

Padres 7, Marlins 6 In San Diego, Mark Sweeney's two-out single in the 13th inning completed the Padres' comeback from a 6-0 deficit.

Sweeney, who lined out with the bases loaded in the 11th, singled to center off Kirt Ojala (1-1) on an 0-2 pitch to score Steve Finley. Finley had singled to open the inning and stole second during Sweeney's at-bat.

Tennis Dad: Williams Says He's Holding Nothing Back

By Neil Amdur
New York Times Service

One day after his daughter returned home from the U.S. Open tennis championships, Richard Williams reiterated his concerns about the values and views on the women's tennis tour.

"I wasn't trapped," Williams said, when asked whether he had been duped into published comments last week that raised the issue of racism on the circuit. "I said exactly what I felt about it."

Williams has been an outspoken critic of the tennis establishment since his daughters, Venus and Serena, began playing in Compton, California, seven years ago. His mantra: Sports is not the way out of the ghetto.

"It's proven to be the wrong way," he said by phone from his home in Palm Beach Gardens, Florida. "What happens to these kids when they speak, they speak terribly. When I look at young players on the tennis tour, it seems the better they are, the less education they have."

Venus, the 17-year-old runner-up to Martina Hingis for the women's singles title, and Serena, 15, were back in private school Tuesday. But the commotion continued over last week's cross-over confrontation between Venus Williams and Irina Spirlea during their spirited singles semifinal.

In the aftermath of the bumping incident between the players, Richard Williams, from Florida, called Spirlea a "big white turkey," and Venus and her mother, Brandy, had to distance themselves from the comments.

In the early years of Venus Williams's development, when she played no junior tournaments for four years, Richard Williams was portrayed by some as a manipulative, chain-smoking eccentric, another doting tennis father/coach trying to control his child's career.

His absence from this year's U.S. Open, despite the success of his daughter, created another round of analysis.

"I can't win either way," he said. "Naturally, any parent would want to be at a Grand Slam event. Just the name 'Grand Slam' carries so much weight. Any person in their right mind would want to be there. We haven't figured if I'm in my right mind."

But Williams, who had promised Venus that he might fly to New York before her third-round match, said he has changed his attitude toward the sport. "When I first started," he said, "I started like most parents. I wanted to make a million dollars. I started for the wrong reason. That's why I don't feel good about it."

A number of top pros have taken exception to Williams's characterizations. Gigi Fernandez, a veteran, said adamantly, "There's no racism on the women's tour."

Venus Williams's next assignment, Richard Williams said, will be three fall tournaments in Europe, probably in Germany, Russia and Switzerland. "I'll probably go with her this time," he said. Happily? "Don't get me started."

■ Rusedski: Back to Earth

Greg Rusedski, U.S. Open runner-up, returned to a hero's welcome Wednesday at the Bournemouth International Open, in England, but struggled to sink Alberto Martin of Spain in the first round, 6-3, 4-6, 6-2, Reuters reported.

49ers' Young to Play Sunday

Reuters

SAN FRANCISCO — The San Francisco 49ers' quarterback, Steve Young, who threw just eight passes this season before being sidelined with a concussion, was cleared on Wednesday to play in Sunday's game against New Orleans.

Young suffered his third concussion in less than a year when he was kneed in the helmet on San Francisco's first possession of a season-opening loss to Tampa Bay. He returned in the second half but was ineffective, finishing 4-of-8 for 33 yards with one interception.

A neurologist examined Young last week and did not give permission for him to play against St. Louis. The announcement Wednesday came after further evaluations by the neurologist and a neurosurgeon.

Jeff Brohm filled in against Tampa Bay when Young was sidelined, completing 10-of-13 passes for 99 yards. But he suffered a chipped bone in the middle finger of his throwing hand.

Brohm was available on Sunday against St. Louis, but the team's coach, Steve Mariucci, opted to start a rookie, Jim Druckenmiller. He went 10-of-28 for 102 yards, a touchdown and three interceptions in the Niners' 15-12 victory. Druckenmiller was the first quarterback chosen in the April draft and the 26th overall selection.

The injuries to Young and Brohm were the latest in a series of woes for the Niners, who lost their star receiver, Jerry Rice, to a season-ending knee injury in the loss to Tampa Bay.

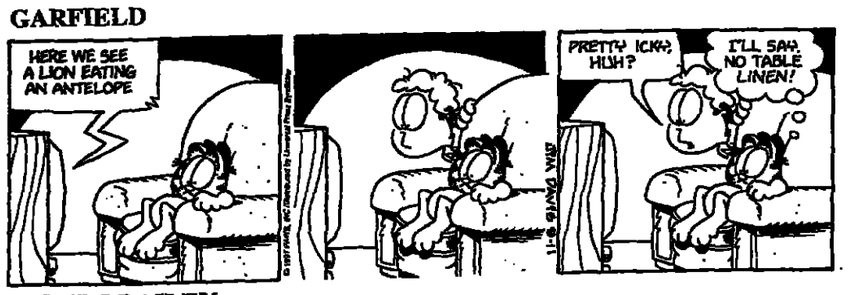
DENNIS THE MENACE

"TELL HIM I'M OFF DUTY!"

PEANUTS

CALVIN AND HOBBES

GARFIELD



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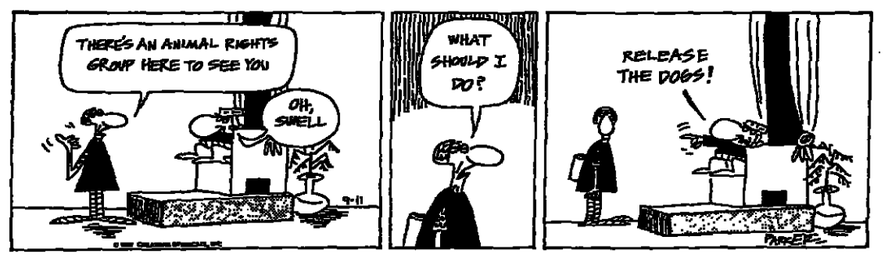

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NON SEQUITUR

DOONESBURY

BLONDIE

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DROICH

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: _____

(Answers tomorrow)

Yesterday's Jumbles: NEWSY CANAL MEMORY ATTACH
Answer: When the newscaster went sailing it was a — ANCHOR'S AWAY

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ART BUCHWALD

Hold the Front Page!

WASHINGTON — There's Sharon Stone sunbathing on a beach in Greece.

Click.

Over there — John Kennedy is jogging in Central Park.

Click.

There goes Michael Jackson out the back door with unidentified woman.

Buchwald

Click.

I got Whoopi Goldberg walking in to her hairdresser's.

Click.

Hold front page. Marla Trump at a discotheque dancing barefoot.

Click.

Would you believe John Gotti's son with a female trainer?

Click.

There goes Chelsea at Stanford registering for her freshman class.

Click.

Tom Cruise. I just got Tom Cruise, and he was mad as hell and said he wasn't going to take it anymore.

Click.

Eyes right. Pavarotti and his new girlfriend dining at an Italian restaurant.

Click.

I'm waiting for Madonna. She's wearing a great skirt and her legs are not to be believed.

Click.

We really need a new photo of the mayor's wife.

Click.

If I could only get a picture of Tiger Woods's girlfriend, then I'd be able to retire for life.

Click.

The president just hit his golf ball into the rough.

Click.

Who is the guy necking with Cindy Crawford?

Click.

Do you want Barbra Streisand in London after dark or before?

Click.

Got Mike Tyson in my viewfinder escorting two gorgeous women across Lexington Avenue.

Click.

Margaret Thatcher coming out of 21 with Henry Kissinger after lunch.

Click.

Woody Allen, Woody Allen, Woody Allen.

Click.

And what about Princess Diana?

Click, click, click, click, click.

100-Year Savings Plan Pays Off

The Associated Press

URBANA, Illinois — A century-old silver dollar that was locked in a time capsule in Urbana has more than kept up with inflation.

Back in 1893, the mayor placed commemorative items — newspapers, a half-dollar, a silver dollar — into a metal box that was sealed in a cornerstone of City Hall.

The coin was discovered in 1965, when the old City Hall was razed, then placed in a safety deposit box and mostly forgotten, until Gary Dayton, a local coin dealer, estimated its current value this week for city officials.

The officials were surprised to learn that the silver dollar — an 1893-S Morgan coin that was one of only 100,000 minted — is worth $40,000 to $75,000.

The Minimal Robert Wyatt: A Group by Himself

By Mike Zwerin
International Herald Tribune

PARIS — Robert Wyatt raised the level of playing his instrument to the point that being described as a rock drummer was no longer pejorative.

He was with a no-nonsense British band called The Soft Machine, named after a book by William Burroughs. They fused instrumental jazz and rock at least two years before Miles Davis. A CBS Records executive said that he couldn't figure out if they were the label's best-selling jazz band or its worst-selling rock group.

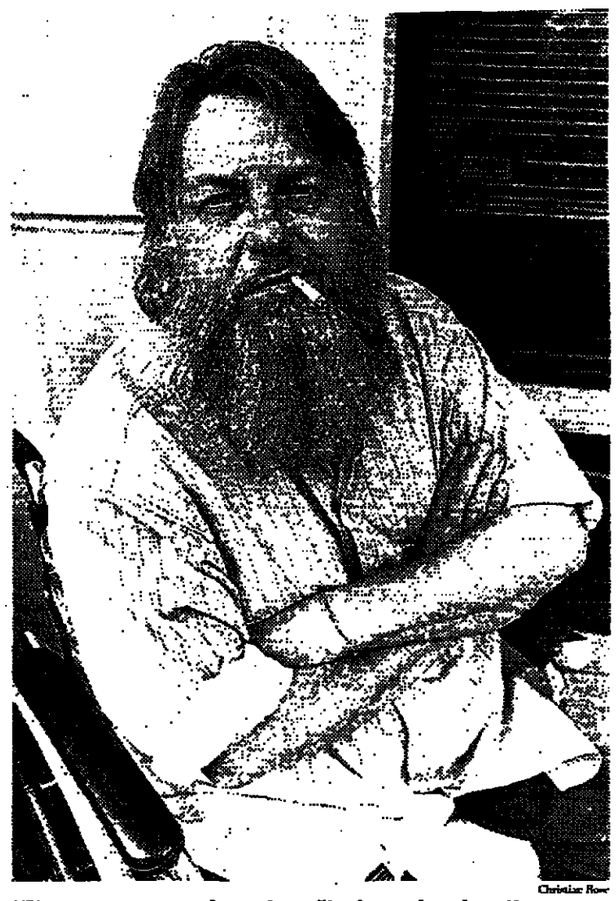
Wyatt played the drums and sang lead vocals at the same time. Not many drummers could do that then (or now, for that matter), certainly not in 11/4 time. He was also the first drummer in rock history to play bare-breasted. "EEEEE!" the groupies screamed. "Robert took off his shirt."

However, his crazy caveman Elvis/Elvin persona gave way after he fell out of a window during a party. He has been in a wheelchair, paralyzed from the waist down, for more than 20 years now. His stature is such that you find yourself looking up to him anyway. He is a living legend, a cult hero, a towering figure.

The music he has made since the accident has been described as "wry, plaintive, soulful, humorous, idiosyncratic, melancholic" and "ingenious." There were no other musicians on the albums. He wrote the songs and played all the backing instruments himself. They were, in the best sense of the term, minimal.

His album titles begin to tell the story by themselves — "Rock Bottom," "Ruth Is Stranger Than Richard," "Old Rotten Hat," "The End of an Ear." "Shleep," ("Fat Chance to Dream"), Wyatt's latest, is being released this month.

"Shleep" is on Hannibal, a label with a serious reputation. There are live musicians on it, and not just anybody at that. If you know anything about the European Community alternate jazz and rock scene, you'll be impressed by the names Brian Eno, Philip Catherine, Annie Whitehead and Evan Parker. If not, be impressed anyway.


Christine Rose

"I'm not even sure what culture I'm in: rock or jazz."

Now that he's a real live leader, he looks back on those rough days when he used to patch all the voices and instruments together all alone.

"It's quite funny being in a group all by yourself," he said. "I had all the same arguments with myself that real groups have. I was listening to the bassist and the drummer and I'd think, 'What are those two up to?' And it was all me. It's funny how many different characters you can find in yourself.

"I'm not even sure what culture I'm in: rock or jazz. My head is full of jazz but that's not quite the whole story. I'm not a rock musician; I can't work off power chords. I start the recording process on my little basic four-track machine. It's quite limited, but then I think that Beethoven could have written his late string quartets on a four-track. So there seems to be room for a lot of information."

Living legends and cult heroes generally involve unlikely name and discipline crossovers.

"My parents were part of a little gang of intellectuals," he says. "I guess you could call them bohemians. They were friends of [the poet and novelist] Robert Graves. I left school illiterate and drifted off to Deya on Majorca where Graves owned a house, and he put me up with his own kids. I think he was relieved that I wasn't one more young academic snob asking him about White Goddesses.

"He had Coltrane records, and we listened together. Graves approved of my wanting to be a drummer. He made me feel all right about liking the things I liked."

The Soft Machine was stranded in Saint Tropez in the summer of 1967 when the club in which they were to work went belly-up. Happener, director and poet Jean-Jacques Lebel hired the Soft for his production of the Pablo Picasso play "Desire Caught by the Tail," along with Gary Goodrow and other members of the Living Theatre. (Wyatt says that the high spot of the summer for him, however, was dining with Paul Desmond.)

Time magazine wrote it up, the French press caught on, the Village Voice covered it. Two years later, the Soft was opening for Jimi Hendrix on a tour of the United States (and opened for Davis the following year).

But then hippies began to overdose, move to Los Angeles, start work on projects they never finished and to write highly paid jingles for commercial TV. Wyatt moved to Twickenham, not far from where Peter Townshend lived on the banks of the Thames.

People would pass by and greet him indulgently as he sat in his wheelchair on Twickenham High Street selling Communist literature. He has a seductive smile, and he said that the party offered the only real choice.

He recorded with rock groups called National Health and Henry Cow, and with Carla Bley. He covered songs by Elvis Costello ("Shipbuilding"), Peter Gabriel ("Biko"), The Monkees ("I'm a Believer") and the Golden Gate Quartet ("Stalin Wasn't Stallin'").

Covering other people's material, he can reveal their hidden sides. His own material and the way he presents it is reminiscent of the French chanson — of Brel or Jacques Debronckart, for example. There are unusual degrees of drama, the arrangements are essential and the delivery often adds to the meaning.

In "Heeps of Sheeps" — written with his wife, Alfreda Benge, a painter, and arranged by Eno — counting sheep does not cure his insomnia: "Still not sleeping / I realized my goose was cooked."

The opening lines of "Blues in Bob Minor" go: "Roger's in the archive looking up casement / Martha's in the government digging up the basement."

The Wyatts live in a market town in Lincolnshire that is "meters deep in pesticide. To call it countryside is stretching the language." He bought a Pakistani pocket trumpet in a pawnshop.

He spends his sometimes long days playing along with records by Don Cherry, Dave Brubeck, Charlie Haden, Lucky Thompson and Slim and Slam.

"Wrong Movements," a scrapbook biography, has been published in Britain. Asked whether he's satisfied with his new record album, he replies with a chuckle: "I don't do reviews."

MOVIES

2 Views of Tibet Are a Far Cry From Shangri-La

By Rick Lyman
New York Times Service

NEW YORK — From the time Ronald Colman stumbled into Shangri-La in the 1937 movie "Lost Horizon," Tibet in its various Hollywood manifestations has come to represent a kind of ultimate otherness, a golden-hued sanctuary teeming with a quiescent people too simple, too trusting, too good for this world.

For Colman's character, a disillusioned British gentleman yearning to escape a noisy and conflicted world, Shangri-La was a haven of peace, contemplation and unlimited reading time.

More recently, in "The Golden Child" (1986), Eddie Murphy rescued a Dalai Lama-like child monk from a band of demon kidnappers in a Tibet portrayed as a snowy, somewhat comical place full of chanting and special effects. In "Little Buddha" (1993), Bernardo Bertolucci told the improbable story of an American couple who willingly surrender their child to monks who tell them that he is the latest manifestation of a Buddhist holy man.

Now, however, with two films about to be released about Tibet and its exiled leader, the 62-year-old Dalai Lama, Hollywood seems to be trying to clear away some of that golden fog.

Both "Seven Years in Tibet," directed by Jean-Jacques Annaud, and "Kundun," directed by Martin Scorsese, aim to present an exotic but more realistic version of Tibet's tragic recent history.

Both directors say they had no particular political motive in mind, but the release of these films is likely to focus popular attention on Tibet, coming at a time of growing international tension over China's behavior toward a land it has controlled since 1949.

Because of the political situation in Tibet, neither movie could be filmed there. Scorsese's Tibet is actually the ragged peaks and arid plains of south-central Morocco; Annaud's is the sharp valleys and icy peaks of the Argentine Andes and the Canadian Rockies.

Both filmmakers employed numerous Tibetan religious and political leaders to insure historical accuracy and realism. And both said their goal in such attention to detail was not the thrill of the exotic but the deeper feelings stirred by a sense of real life.

David Appleby/Mandalay Entertainment

Pitt, left, with actor David Thewlis and director Annaud, right.

One afternoon last month, Scorsese peered between his outstretched hands as if they were an imaginary movie screen hanging in the air.

"The idea," he said, "is to make the story as human and as emotional as possible, right? So I thought the way to do that was to do it, as much as possible, through the eyes of the little boy. Very subjective."

"I wanted this to be a very human story," he said, "About real, recognizable people who just happen to live in Tibet."

Annaud, too, said he felt a very clear obligation to cut through some of the earlier Hollywood images of Tibet.

"You know, I think for many people, Tibet is really a kind of fantasyland," said Annaud, speaking from London, where he was putting together the final sound mix for his $65 million film. "What we really tried to do was to recreate Tibet, to bring it to life and to make it real."

Becky Johnston, who wrote the script for Annaud's film, said her chief desire was to bring the country to life for a Western audience "and for it not to be a glossy, laminated version of Tibet."

Melissa Mathison, who wrote the script for Scorsese's film, agreed.

"I think part of the tragedy of Tibet is that it's been Shangri-La," she said. "Nobody believed it existed in the first place, so its destruction was the destruction of a fantasy."

In "Seven Years in Tibet," Brad Pitt portrays an Austrian mountain climber who escapes from a British prisoner-of-war camp in India during World War II and makes his tortuous way over the mountains into Tibet, where he eventually befriends the young Dalai Lama.

Based on a memoir by Heinrich Harrer, who became famous in the 1930s as a member of the first team to conquer the north face of the Eiger, this film chronicles the real-life redemption of the arrogant mountain climber through his relationship with the young spiritual leader.

The film drew some unwanted publicity this year when it was revealed that Harrer had been a member of the Nazi Party when he went on his Tibetan expedition and a member of Hitler's SS — a fact that he had never revealed. Nevertheless, Annaud decided that his film did not need to be updated.

"It was not what our movie was about," Annaud said. "I had always suspected that — how shall I say — that Harrer had a sympathy or a connection with the Nazi movement."

In the early scenes in "Seven Years in Tibet," Harrer is portrayed as a selfish, obnoxious character who is only gradually humanized by his encounters with the Dalai Lama. "Our film is about guilt and redemption, so this latest issue does not really affect it," Annaud said.

Scorsese's $28 million movie is less an adventure film than a contemplation of nonviolence through the life of the Dalai Lama. The director said he had been attracted to making a movie about him because he wanted to explore the implications of the philosophy. "I felt I knew what a violent life was all about, after growing up in lower Manhattan," he said. "I wanted to explore the other side."

PEOPLE

WILL Michael Jackson celebrate his 40th birthday next year in a Polish manor? The president of the World Trade Center Warsaw, **Jacques Tourel**, told the newspaper Super Express that the Polish authorities were drawing up a list of small palaces and manors where the American superstar could blow out his 40 candles on Aug. 29, 1998. Jackson signed an initial deal in May to build a family entertainment park in Poland.

□

The marriage of **Prince Ernst of Hannover** and his wife of 16 years, **Princess Chantal**, was ended by a divorce judge in London on Wednesday. **Judge Gerald Angel**, who also ended the marriages of the **Prince** and **Princess of Wales** and the **Duke** and **Duchess of York**, granted Princess Chantal a divorce on the grounds of her husband's adultery with an unidentified woman.

□

Betty DeGeneres, the mother of **Ellen DeGeneres**, is the new spokeswoman Human Rights Campaign's National Coming Out Project. DeGeneres, 67, the first heterosexual to hold the post, will make personal appearances and appear in television and print ads to encourage gay people to come out and be honest about their sexuality. **Chastity Bono**, **Amanda Bearse** and **Candace Gingrich** served in the past. DeGeneres, who occasionally appears on her daughter's sitcom "Ellen," said she decided to take on the project after the positive response to her daughter's coming out.

□

Robbie Knievel may have his doubts about following in his daredevil father's footsteps, but that hasn't stopped him. The son of **Evel Knievel** went to the Kansas State Fair to jump 20 trucks on his motorcycle, about half as many as his father did in the 1970s. Robbie, 35, known as ***Kaptain Knievel***, has chronic back pain from crashes and has missed about six of his last 15 jumps. "Every time I look at that ramp I say to myself, 'You idiot, what are you doing this for?'" he said. "But then the crowd gets you going."

Reuters

MOSCOW MAGIC — David Copperfield sporting a Russian hat and balalaika during a visit to Moscow.

□

The **Indigo Girls** have more than music on their minds on their 21-stop "Honor the Earth" concert tour. **Amy Ray** and **Emily Saliers** see the shows as an opportunity to spread the word about environmental problems on American Indian reservations. "We're here to play music, but we're here to use the music as a tool for change," Saliers said after the band gave a free concert on the St. Regis Mohawk Reservation north of Buffalo, New York. "We're fighting battles that have to do with environmental racism," said Ray, criticizing companies for locating dump sites near Indian lands. The band earned a Grammy for their 1989 album "Indigo Girls," best known for the hit single and video "*Closer to Fine*."

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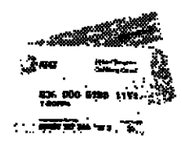

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